PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 520 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2011

COMPRISING PERIOD
6 December 2010—21 December 2010

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6 December 2010

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 520**

ELEVENTH VOLUME OF SESSION 2010-2011

House of Commons

Monday 6 December 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

2.35 pm

Mr Speaker: I have a short statement to make further to my statement of 8 November on the application of the sub judice rule to the matter of the judgment of the election court in the petition relating to the Oldham East and Saddleworth constituency.

The House will know that the administrative court has upheld the certificate and report of the election court. I understand that Mr Woolas is not intending to appeal, although the period for applying for leave to appeal has not yet expired. However, I can inform the House that the sub judice resolution no longer applies to this matter.

So far as the seat is concerned, it has been vacated since 5 November, the date on which I received the election court's certificate and report, as I informed the House in my previous statement.

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Security Threats

2. **John Howell** (Henley) (Con): What methodology her Department follows to determine the nature of security threats to the UK. [28266]

12. **Jonathan Lord** (Woking) (Con): What methodology her Department follows to determine the nature of security threats to the UK. [28276]

13. **Stephen Mosley** (City of Chester) (Con): What methodology her Department follows to determine the nature of security threats to the UK. [28277]

The Secretary of State for the Home Department (Mrs Theresa May): As part of the Government's national security strategy, we conducted a national security risk assessment—the first time that a Government have undertaken a comprehensive assessment of all national security risks to the UK. The most important risks were then placed into three tiers to inform the strategic defence and security review.

John Howell: I thank my right hon. Friend for that answer. Does she agree that the issue is even more important today, because the recent activities of WikiLeaks have shown the need to strengthen cybersecurity measures in the UK?

Mrs May: My hon. Friend makes a very pertinent point. On WikiLeaks, the Prime Minister's national security adviser has written to all Departments to ask them to look again at their information security and to provide him with assurance about the level of that information security.

My hon. Friend makes a wider point about cybersecurity. This Government recognise the importance of dealing with cybersecurity and cybercrime, which is why we focused on both in the strategic defence and security review and in the national security strategy, and over the next four years £650 million is being made available to develop a national cybersecurity programme.

Jonathan Lord: What are the Government doing to prevent threats from within and to tackle radicalisation?

Mrs May: My hon. Friend also makes an extremely important point about security. We must remember the importance of prevention as well as dealing with security

threats as they arise. We are reviewing the Prevent programme, which was initiated by the previous Government, with a view to separating more clearly its counter-terrorism work from the integration or participation-in-society work of the Department for Communities and Local Government. In that work, we are also looking at radicalisation issues so that we can ensure that our programmes are effective.

Stephen Mosley: What action is my right hon. Friend taking to ensure the security of the Olympic and Paralympic games in 2012?

Mrs May: The Home Office's Olympic and Paralympic safety and security strategy, run by the police, the London Organising Committee of the Olympic Games and Paralympic Games, the Olympic Delivery Authority and other partners, provides a framework for projects to safeguard and secure London 2012. The Minister for Security and Counter-Terrorism has conducted an audit and review of Olympic security planning, which concluded that that work is well placed. There is of course more work to be done, but an effective foundation has already been established, and we are absolutely sure that there is sufficient funding to deliver a safe and secure Olympic games in 2012. We have protected the Olympic security budget, and counter-terrorism policing budgets will stay flat in cash terms.

Mr David Hanson (Delyn) (Lab): May I first concur with the Home Secretary about the threat posed by those involved in WikiLeaks, which is to be condemned by all in this House? In looking at the methodology for assessing a security threat, however, will she listen in particular to those voices internally who advise her on control orders, so that she does not move away from control orders in a way that potentially damages the United Kingdom but recognises that orders signed by former Ministers such as myself were placed for absolutely correct and proper reasons?

Mrs May: I accept that any Minister who has taken such a decision has done so for proper reasons. In relation to the right hon. Gentleman's question on control orders, I can assure him that the Government and I have national security at the forefront of our minds. In considering the counter-terrorism legislation review, we need to rebalance national security and civil liberties, but we are absolutely clear that we can enjoy our civil liberties only if we have national security.

Ms Margaret Ritchie (South Down) (SDLP): Does the right hon. Lady accept that the current system for intelligence gathering in Northern Ireland used to counteract the threat from dissident republican and other paramilitary groups has failed? The system is flawed and needs to be reviewed. The Police Service of Northern Ireland needs to take the lead in intelligence gathering to counteract the security threat.

Mrs May: I do not accept what the hon. Lady says about the flawed system that has existed so far. Sadly, the PSNI has had to deal with an increasing number of incidents over recent months in relation to bombs and other attempts on the lives of people in Northern Ireland. As I say, that threat has been increasing. It is important that we ensure that the tools are available to enable the PSNI to do the job that it has been doing. The whole House should congratulate the PSNI on its work.

Mr Ben Bradshaw (Exeter) (Lab): On control orders, will the Home Secretary give the House a categorical assurance that she will always put the safety of the British people first and that she will resist pressure to appease either her maverick Back Benchers or her Liberal Democrat coalition partners?

Mrs May: I think that I answered that when I responded to the right hon. Member for Delyn (Mr Hanson). As I said, the Government are absolutely clear that there is a need to rebalance national security and civil liberties. We can enjoy our civil liberties only if we have our national security, and we are absolutely clear about the Government's responsibility for ensuring our national security.

e-Borders

3. **Claire Perry** (Devizes) (Con): How much she plans to allocate to development of the e-borders system in the next three years. [28267]

The Minister for Immigration (Damian Green): The priority for the coalition remains to secure the border and to control migration. The coalition Government remain committed to the delivery of e-borders, which will help to reduce terrorism, crime and immigration abuse and to improve the productivity of border processes. At this stage, final budgets have not been agreed for e-borders.

Claire Perry: I am grateful to the Minister for that reply. I am particularly pleased to hear that we have an ongoing commitment to the e-borders project, which is a necessary step in tackling the problem of illegal immigration that many people in my constituency feel was all but ignored by the previous Government. Will the Minister update us on another vital part of our strategy to combat illegal terrorism, namely the formation of the dedicated UK police and border force?

Damian Green: My hon. Friend is right to point out the importance of e-borders as part of an integrated strategy to improve our border control. We have made significant progress on creating a single harmonised work force in the UK Border Agency. Some 3,000 staff have already been trained across the old disciplines of customs and immigration, and we have gone a long way towards creating a single primary line—the first line that people meet when they come into the country. On top of that, of course, we have published our consultation document, "Policing in the 21st century", in which we announced a border police command as part of the new national crime agency. That will co-ordinate the tasking of the border enforcement operational staff who will form the new border police capability. We will make our borders much more secure with all those measures.

Mr Gerry Sutcliffe (Bradford South) (Lab): Is the Minister not being complacent when he talks about the border and immigration service, which will face 5,260 job losses over the next five years? How can he talk tough

on immigration when the reality is that he will not be able to deliver because there will be a reduced number of staff?

Damian Green: The hon. Gentleman illustrates the problem of writing his question before hearing the previous answer, in which I made the point that we are deploying UK Border Agency staff more efficiently by integrating them, as his Government started off doing. On top of that, the border police command will be within the national crime agency. That will mean not only that we better use the resources that we have, but that we will have more resources with the new border police command. Our borders will be much safer than they were under what I am afraid was the lamentable performance by the previous Government.

Young People (Sexualisation)

4. **Helen Goodman** (Bishop Auckland) (Lab): What progress she has made on implementing the recommendations of the review of sexualisation of young people undertaken by Linda Papadopoulos. [28268]

The Minister for Equalities (Lynne Featherstone): The coalition Government have already made a clear commitment to tackle the sexualisation of young people. That is why the Minister of State, Department for Education, my hon. Friend the Member for Brent Central (Sarah Teather), has announced today an independent review of the excessive commercialisation and premature sexualisation of childhood.

Helen Goodman: As a long-standing member of the Mother's Union, I am pleased that the Government have listened to its "Bye Buy Childhood" report, but what has the Minister done about two particular recommendations in the Papadopoulos report, one of which recommends the closing down of pro-anorexic websites, while the other recommends labelling of airbrushing in teenage magazines?

Lynne Featherstone: On closing down anorexic websites, I will have to confer with my hon. Friend the Minister of State, Department for Education, who has taken on this work from Dr Papadopoulos and other recommendations that will be considered by the new review. On the labelling of airbrushing, I have met people from the industry and we are looking at what may be done to ensure that we no longer have a single image which so affects young people who are oppressed by having to conform with being over-skinny.

Jo Swinson (East Dunbartonshire) (LD): Will my hon. Friend join me in praising Mumsnet's Let Girls be Girls campaign, which has already seen dozens of companies sign up to support moves against the premature sexualisation of young people? Does she agree that companies should be encouraged to commit to responsible marketing and product selection for children, but that the Government need to recognise that, in some cases, regulation might be necessary on top of good practice by industry?

Lynne Featherstone: I thank my hon. Friend. I congratulate Mumsnet on its very admirable campaign on the sexualisation of children. Perhaps one of the best ways forward is to get corporations to sign up and develop their own responsibility. However, I understand from my colleague at the Department for Education that it will look at whatever is necessary, be it regulation or simple persuasion.

Police Officer Numbers

5. **John Woodcock** (Barrow and Furness) (Lab/Co-op): What assessment her Department has made of potential links between police officer numbers and levels of crime. [28269]

The Minister for Policing and Criminal Justice (Nick Herbert): There is no simple link between police numbers and crime—*[Interruption.]* What matters is how officers are deployed. Our aim is to reduce costs and bureaucracy to ensure that resources can be directed to the front line.

John Woodcock: Does the Minister understand how quickly he has seemed so completely out of touch with the reality on the ground? Every community up and down the nation will understand that more police on the street make people feel safer and that it has contributed to a lowering of crime over the past decade. Will he take this opportunity to retract his statement?

Nick Herbert: Surely the test of an effective police force is what we are doing with those officers. The report by Her Majesty's inspectorate of constabulary, which I am sure the hon. Gentleman has read, pointed out that only 11% of a police force's strength is visible and available at any one time. That number is too low. There is a problem with the bureaucracy that the previous Government created and that we have to deal with.

Mr David Ruffley (Bury St Edmunds) (Con): The Met Police Commissioner says that a simple way of increasing police visibility in lower-risk areas is to end double crewing, where officers patrol in pairs, and to put individual officers on patrol. Can my right hon. Friend tell the House how many forces have adopted that very sensible policy?

Nick Herbert: I should say to my hon. Friend that these are operational matters for police forces, but we strongly support those who have taken what we regard as a sensible decision. The Met Police Commissioner and the Mayor have been clear that the move towards single patrolling has been hugely helpful in increasing police visibility, and that can be extended to other police forces.

Vernon Coaker (Gedling) (Lab): The Sunday before last, on "The World This Weekend", the Minister for Policing and Criminal Justice told the nation that there was no link between police numbers and the level of crime—a quite astonishing claim. He also argued in recent weeks that it is not officer numbers that are key to cutting crime but individual directly elected police commissioners who will make the difference. As *The Daily Telegraph* reported, the Minister told a private meeting of police authority chairs on 9 November that, to make that happen,

"the first thing a directly elected individual will do is to appoint a political adviser."

Will he confirm that he made those remarks, and does he stand by what he told *The Guardian* last week—that the Police Reform and Social Responsibility Bill will enshrine in legislation that these advisers

"may not...be a member of a political party"?

Nick Herbert: First, I did not say that there was no link; I said that there was no simple link. Let me tell the hon. Gentleman something:

"I don't think it's possible to make a direct correlation between police numbers and crime reduction."

Those are not my words; they were the words of the right hon. Member for Exeter (Mr Bradshaw) when he appeared on "Any Questions" in September.

In response to the hon. Gentleman's specific question, he and his right hon. Friend should have taken care to read the Bill and the consultation document before making the allegation that police and crime commissioners will be able to appoint political advisers. We are determined that they should not be able to do so and have legislated for that. It is in the Bill that they may not appoint political advisers.

Non-EU Immigration

6. **Mr Robert Buckland** (South Swindon) (Con): What steps she plans to take to reduce annual immigration from states outside the EU to the tens of thousands. [28270]

11. **Sheryll Murray** (South East Cornwall) (Con): What steps she plans to take to reduce annual immigration from states outside the EU to the tens of thousands. [28275]

15. **Karen Bradley** (Staffordshire Moorlands) (Con): What steps she plans to take to reduce annual immigration from states outside the EU to the tens of thousands. [28281]

The Minister for Immigration (Damian Green): As my right hon. Friend the Home Secretary announced to the House a fortnight ago, we are introducing a new permanent limit on non-EU economic migrants, with a reduction in the number of visas next year from 28,000 to 21,700. We are also taking action to tighten our immigration system across all the key routes—work, students and family—and will make settlement in this country a privilege to be earned.

Mr Buckland: I thank the Minister for that reply. What evidence has he found of abuse in the points-based immigration system that was introduced by the previous Government?

Damian Green: Regrettably, there is large-scale abuse. For instance, we looked at a sample of the migrants who came here last year in tier 1, which is meant to cover the brightest and the best of highly skilled migrants, and nearly a third of them were doing completely unskilled jobs. We have also found widespread abuse in the student system. That tells us that we must refine and smarten the points-based system that was left to us by the previous Government so that it does the job of ensuring that we get immigration numbers down to sustainable levels.

Sheryll Murray: How many migrant workers are from within the EU and how many are from elsewhere?

Damian Green: I am grateful to my hon. Friend for asking that question, because it enables me to puncture one of the great urban myths in the immigration debate, which is that most immigration comes from within the European Union. The net migration figures—which we will get down to the tens of thousands by the end of this Parliament—show that the vast bulk of immigrants come from outside the European Union. She asked about the numbers. In 2009, 292,000 non-European economic area migrants entered the UK and only 109,000 left. The House will see that the vast majority of net immigration comes from outside the European Union. Such immigration is precisely what we will take action on.

Karen Bradley: Will the Minister assure the House that the new proposals to control immigration will protect the interests of legitimate businesses?

Damian Green: I give that assurance to the House and, beyond that, to business. We held something that has been unusual in recent years: a consultation that genuinely consulted. We listened to business and changed the rules on inter-company transfers. That is also why we got rid of most of tier 1 and left a small remainder for the very exceptional. We now have a system that will not only enable us to get immigration to sustainable levels, but protect businesses and educational institutions that are vital to our future prosperity.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): In light of the concerns about immigration that the Minister has articulated, will he share his justification for this week's news that front-line UK Border Agency staff at Liverpool port and John Lennon airport will be slashed by almost half?

Damian Green: The hon. Lady has heard me say in response to a previous question that there will be a reduction of more than 5,000 in the UKBA work force. We are ensuring that we use new technology and new working practices to make our border more secure than it was under the Government whom she used to support. I commend to her the very good Institute for Public Policy Research publication, "Immigration under Labour", in which an adviser to one of Labour's more successful Home Secretaries—

Mr Speaker: Order. The Minister of State will resume his seat. His purpose here is to answer questions about the policy of the Government, not that of the Opposition. I hope that that is now clear to him.

Steve McCabe (Birmingham, Selly Oak) (Lab): I know that some members of the coalition have trouble understanding what a pledge means, but after a bit of probing, the Home Secretary gave the House a commitment the other week to reduce immigration to tens of thousands by the end of this Parliament. Does that commitment still hold this week?

Damian Green: I think that the hon. Gentleman was in the House when my right hon. Friend the Home Secretary made that commitment. *[Interruption.]* No, she said by the end of this Parliament; I was here. All I

can say to the hon. Gentleman is that I do not propose to go into the French accent that my right hon. Friend used, but I am more than happy to repeat the commitment that she gave the House on that occasion.

Shabana Mahmood (Birmingham, Ladywood) (Lab): On that exact point, the Prime Minister has repeatedly promised that he will bring net migration down to the tens of thousands by the end of this Parliament. The promise was even included in the Conservative party's pre-election contract with voters. However, in recent weeks it has been downgraded to an aspiration or an aim, most notably by the Home Secretary. Has the Minister been told whether his policy is a firm pledge or just an aim or aspiration? Which is it?

Damian Green: Our policy has been the same since before the election and is the same as it was when the Home Secretary stated it to the House in her announcement about the immigration limit.

Dr Julian Huppert (Cambridge) (LD): Both the Home Secretary and the Minister have stated a commitment to ensuring that excellent scientists, engineers and academics will be able to come into this country. Will they revise the number of points available for PhDs compared with MBAs, and can the Minister explain how the tier 1 scheme will work for both established people and up-and-coming young people?

Damian Green: The tier 1 system is designed precisely so that we can ensure that we get the next generation of excellent scientists. As the Member of Parliament for Cambridge, my hon. Friend clearly has both interest and knowledge in the matter, and he will know that existing Nobel prize winners will get enough points to come in under the points-based system. Our new tier 1 is designed to ensure that the Nobel prize winners of tomorrow will be able to come to this country. We plan to ensure that objective, outside bodies decide who those people are, so that we get the best expertise in specialist fields not just among those coming into this country but among those who decide who comes to this country.

Policing Numbers

7. **Paul Blomfield** (Sheffield Central) (Lab): What estimate she has made of the likely number of police community support officers at the end of the spending review period. [28271]

Hon. Members: Come on! Get up!

The Minister for Policing and Criminal Justice (Nick Herbert): The number of police officers is not set by central Government, but we believe that forces can make savings to ensure that visible and available policing is secured for the public.

Mr Speaker: Order. I realise that the right hon. Gentleman was slightly out of breath or a bit uncertain in coming to the Dispatch Box, but I believe that he is seeking to group the question with Question 8.

Nick Herbert: With permission, Mr Speaker, I will take Questions 7 and 8 together.

8. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What recent discussions she has had with police forces on the likely number of (a) police officers and (b) police community support officers at the end of the 2014-15 financial year. [28272]

Mr Speaker: I assume that the Minister had finished his reply, so I call Paul Blomfield.

Paul Blomfield: Will the Minister note that there are 337 police community support officers in South Yorkshire whose jobs are at risk because of cuts in both police and local government budgets? Those officers have made an enormous contribution to the reduction in crime and the fear of crime. Does he accept that people across the country would believe that money was better spent on those posts than on the £100 million that the Government propose to waste on police commissioners?

Nick Herbert: First, I should say to the hon. Gentleman that our intention is that directly elected police and crime commissioners should cost no more than existing police authorities. Of course there will be a cost for elections once every four years—an average of £12 million a year, which is less than 0.1% of the national policing budget. We are determined to do everything we can to protect front-line policing and the number of police community support officers. We think they do a very valuable job in our communities.

Mrs Hodgson: As the Minister is no doubt aware, Northumbria police force, which covers my constituency, has recently confirmed that it is to make 450 civilian staff redundant immediately and it is imposing a recruitment freeze on all front-line posts, all because of the cuts made by the Home Secretary. Does the Minister think that those cuts to front-line policing will make my constituents safer?

Nick Herbert: I do not accept that those are cuts—

Hon. Members: What was that?

Mr Speaker: Order. Opposition Members' hearing is playing tricks with them. They did not hear what they thought they heard.

Nick Herbert: Mr Speaker, I am in very good company today.

The hon. Member for Washington and Sunderland West (Mrs Hodgson) said that these were cuts to police staff. In all, there are more than 6,000 members of staff in Northumbria police force, including police officers, and I repeat that our determination is to do everything we can to support forces in making savings to the back office, in order to protect the front line and the visible and available policing that the public value.

Mr Matthew Offord (Hendon) (Con): Will the Minister advise the House on what is to happen to the neighbourhood policing fund?

Nick Herbert: I am afraid I cannot give an answer to my hon. Friend right now. We will shortly be announcing the provisional police grant. At that point, we will tell the House what we plan to do with the neighbourhood policing fund.

Patrick Mercer (Newark) (Con): I am sure that my right hon. Friend would like to congratulate the large number of regular police officers and police community support officers who have responded, often unpaid, to the crises of the past few weeks, including the bomb at east midlands airport, the violence here in Westminster and so on. In view of the spending review, how will we cope in future with the need for surging officers when those occasions occur?

Nick Herbert: As my hon. Friend knows, we prioritise counter-terrorism funding to policing, and it has received a measure of protection in the funding settlement. We will, of course, continue to prioritise it.

Ed Balls (Morley and Outwood) (Lab/Co-op): The Minister for Policing and Criminal Justice is having a busy and rather stressful afternoon. I was hoping to ask the Home Secretary about police funding and numbers—and it looked like he thought that she would answer this question too. In any case, may I ask him about the Home Secretary's Cabinet-level spending negotiations? I hope that she has filled him in on what went on. This week, the cross-party association of police officers wrote to the Home Office to ask for the spending review settlement for the police—20% front-end loaded cuts, followed by 6% next year and 8% the year after—to be reopened in order to

"avoid long term damage to policing capability"

and to protect the front line. Back in May, the Prime Minister told the BBC:

"Any Cabinet minister...who comes to me and says 'here are my plans and they involve front line reductions' will be sent back to their department to go away and think again."

If the Prime Minister has not told the Home Secretary to go away and think again, will she listen to police chiefs up and down the country urging her to do just that?

Nick Herbert: I think that the right hon. Gentleman was referring to the Association of Police Authorities. The House might not have heard that he told the Home Affairs Committee seminar in Cannock on 22 November that this is a tighter environment for police spending and would be under any Government. He admitted that there would be cuts in police spending. We inherited £44 billion of unspecified spending cuts from his Government, and we are having to deal with the deficit, taking the decisions that he has forced upon us.

Ed Balls: The deputy to the Home Secretary will have to do a lot better than that. These cuts are front-end loaded and go well beyond the 12% over four years that Her Majesty's inspectorate of constabulary said was do-able. I am pleased that he has not repeated the 11% smear against our police, which he knows is a completely corrupt and erroneous statistic. Hon. Members should look at the numbers. In north Wales, 230 officers are to go; in the west midlands, 1,100; and in Greater Manchester, 1,387. The chief constable of Greater Manchester police said that

"there will be a reduction in frontline police officer numbers"...

The Home Secretary was not willing to stand up for the police in the spending review, and she is not willing either to stand up in the House and answer my questions on the police. She can refuse to answer my questions, but she cannot refuse to answer the questions from police officers and the public all around the country. Today—

Mr Speaker: Order. We must have a one-sentence question.

Ed Balls: I call on the Home Secretary to listen to police chiefs and the public, and I demand that her spending settlement be reopened, that there is an end to front-end loading and that there is a better deal for the police.

Nick Herbert: First, may I say that I am absolutely astonished by the right hon. Gentleman's attack on the figure of only 11% of total police strength being visible and available to the public at any one time? That was the finding of a report by Her Majesty's inspectorate of constabulary, and if he takes issue with it, perhaps he will speak to the inspectorate. I think it is disgraceful that he should attack the figure in that way. The report stated:

"The fact is that general availability, in which we include neighbourhood policing and response, is relatively low."

The right hon. Gentleman also quoted the chief constable of Greater Manchester police. In announcing the changes that he was making to the force, the chief constable said that

"the end result will be more resources put into frontline policing and a more efficient and effective service for the people of Greater Manchester."

Instead of scaremongering in this way, and instead of attacking the correction that we are having to make, perhaps the right hon. Gentleman will accept responsibility for bequeathing the deficit to this country that has meant that we have had to deal with public expenditure.

Youth Services

9. **Julie Hilling** (Bolton West) (Lab): What funding her Department plans to allocate to the provision of youth services provided by her Department in the spending review period. [28273]

The Secretary of State for the Home Department (Mrs Theresa May): I know that the hon. Lady, in the various posts that she has held over the years, has a wealth of experience in dealing with this area of youth services. Youth services are crucial in ensuring that our young people have the best possible chance in life and fulfil their potential. As I am sure she will be aware, the Home Office itself does not provide youth services directly, but we do contribute towards local youth crime prevention work, including youth offending teams, and we will set out our plans for future funding in due course.

Julie Hilling: The Secretary of State will be aware of the numerous studies that show that, where there is a well-funded youth service, there is a decrease in criminality. Now that youth services are being destroyed due to cuts to local government, education, health and Home Office budgets, leaving young people with nowhere to go and nothing to do, has she done a cost analysis of the effects of closures of youth centres on her departmental budget and on levels of antisocial behaviour?

Mrs May: I simply do not recognise the picture that the hon. Lady has set out in relation to youth services across the country. I would also remind her of the extremely effective point that my right hon. Friend the Minister for Policing and Criminal Justice made just now in response to the shadow Home Secretary—namely, that the Government have had to take the recent decisions on funding because of the mess that the last Labour Government left the finances in. We will be looking very closely at the support that we can provide in relation to specific issues about youth crime, to ensure that we are able to help young people not to go down the route of crime and to ensure that they are able to fulfil their full potential and develop the life that they deserve.

Andrew Bridgen (North West Leicestershire) (Con): In my constituency, there are many voluntary organisations providing key services such as children's centres and youth services. Does my right hon. Friend agree that it is essential to maintain the funding for those voluntary organisations that are doing such key work?

Mrs May: I pay tribute to the voluntary organisations that are doing key work in my hon. Friend's constituency, and indeed in other constituencies up and down the country. This is a very good example of the big society in action. As he will be aware, the Government are putting support into voluntary organisations; £100 million is being made available to help voluntary organisations in the difficult times ahead.

Criminal Records Bureau

10. **Mr Marcus Jones** (Nuneaton) (Con): What her most recent assessment is of the performance of the Criminal Records Bureau in undertaking checks. [28274]

The Parliamentary Under-Secretary of State for the Home Department (Lynne Featherstone): The Criminal Records Bureau has been consistently exceeding its performance targets for standard checks, completing over 95% in 10 days, but it has not been meeting its target for enhanced checks, which is to complete 90% of applications within 28 days. There has been an improvement over recent months, and the Criminal Records Bureau expects to meet its operational targets by April.

Mr Jones: I am grateful to my hon. Friend the Minister for that response. I would like to make her aware of a constituent of mine who, as a young girl aged just 12, received a police caution for a minor public disorder incident. Three years later, as a mere 15-year-old, the same young girl applied for a college course and was advised that, because she had been listed on a CRB check, she would struggle to access either a work placement or a university place. Does my hon. Friend agree that it cannot be in the public interest that a CRB check can so damage a young person's life chances at such an early age?

Lynne Featherstone: I agree with my hon. Friend. Under part V of the Police Act 1997, all convictions, cautions, reprimands or warnings, both spent and unspent, held on the police national computer must be disclosed. Obviously, I cannot comment on this particular case, but young people's life chances can be ruined by one incident when they were young. That is why these issues are being looked at as part of a review of the criminal records regime and the vetting and barring scheme.

Kevin Brennan (Cardiff West) (Lab): Can the Minister confirm that anyone receiving an official caution is accepting their guilt and that, in reviewing Criminal Records Bureau checks, she should bear in mind the balance of risk and make sure that that is at the forefront of her thoughts on this issue at all times?

Lynne Featherstone: I have complete faith in the fact that the review will adopt a balanced viewpoint and understand all that it needs to look at.

Licensing

14. **Annette Brooke** (Mid Dorset and North Poole) (LD): What plans she has to allow local authorities to levy charges on pubs and clubs wishing to stay open late. [28279]

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): The Police Reform and Social Responsibility Bill, which was introduced last week, includes measures that will allow local authorities to charge a late-night levy. This levy will help to pay for police services and licensing authority services aimed at mitigating the impact the late-night economy has on the local community.

Annette Brooke: I thank the Minister for his answer. How will he ensure that the extra funding will be made available to police the night-time economy, particularly in places such as Bournemouth, which is within Dorset's large rural police authority and where resources have to be concentrated in a relatively few hot spots—often, my constituents feel, to the detriment of the policing of other areas within Dorset?

James Brokenshire: I certainly recognise the pressures put on the police, often in the small hours of the morning, when it comes to dealing with issues surrounding the late-night economy. That is precisely why we have introduced the late-night levy in the Bill. When it comes to ensuring that moneys are protected for policing, we have said that 70% of the revenue, after administration costs have been covered, must go to the police for that purpose.

Police Authority Funding

16. **Greg Mulholland** (Leeds North West) (LD): What assessment she has made of the likely effects of the planned reduction in Government funding for police authorities in (a) England and (b) West Yorkshire. [28283]

The Minister for Policing and Criminal Justice (Nick Herbert): The Government will propose individual force allocations to Parliament later this month. By cutting costs and scrapping bureaucracy, we will save both money and man hours, so I am confident that the spending review should not lead to any reduction in police officers visible and available on the streets.

Greg Mulholland: I thank my hon. Friend for that answer and accept the logic of what he says. May I bring it to his attention, however, that the proposed cuts in grant reductions will lead to 7.07% cut to West Yorkshire police, whereas it will lead to a 0.17% increase for Surrey police? By looking at damping the formula grant, could we not find a fairer way and ensure that all forces have approximately the same reductions in their funding?

Nick Herbert: My hon. Friend raises an important point about both the issue of damping and the contribution to police funding made by the precept. I am afraid that I cannot tell him any more about our plans right now, but we will make an announcement to the House very shortly.

Diana Johnson (Kingston upon Hull North) (Lab): Perhaps I can help the House by quoting what the Minister said on "The World This Weekend" on Sunday 21 November. He said:

"There is no such link"

between police numbers and levels of crime. Let me ask the Minister, however, about a recent quote by the Home Secretary on special constables, as I do not have the opportunity to ask the right hon. Lady. We know that special constables are a valued extra resource for our police service. It has been reported that the Home Secretary said that she is looking to recruit an additional 50,000 specials, but does the Minister seriously believe that part-time volunteers can properly substitute for the core policing work of trained, full-time police officers and police community support officers whose numbers are being so savagely cut?

Nick Herbert: I repeat to the hon. Lady that I said that there was no simple link. She may have noticed that the former police chief of Los Angeles and New York was in this country last week. He wrote a number of pieces, which I think the hon. Lady should read. One thing he said was:

"It's not so much the number of police you have... but what you do with them... You cannot spend your way to a safer community... Successful policing is not only about making the right investments: it's about leadership and focus."

I would suggest that Bill Bratton knows rather more about policing than the hon. Lady does. As to special constables, of course they are valuable and of course we would like to recruit more of them. They are not a substitute for what police officers do, but an important supplement.

Student Visas

17. **Mark Lancaster** (Milton Keynes North) (Con): What plans she has for the future of the student visa system. [28284]

The Minister for Immigration (Damian Green): As my right hon. Friend the Home Secretary announced in her statement to Parliament on 23 November, the Government will shortly launch a public consultation on proposed changes to the student visa arrangements. The proposals will result in a more selective system, and will reduce the numbers to support our aim of reducing net migration to sustainable levels.

Mark Lancaster: I commend my hon. Friend on the public consultation and subsequent review, but may I press him to ensure that the terms of reference will be broad enough to enable us to address the underlying causes of abuse, particularly bogus colleges?

Damian Green: I am more than happy to give my hon. Friend that assurance, because it is an extremely important point. I hope he will be encouraged to learn that since the Government came to office in May, we have revoked 24 tier 4 sponsor licences for bogus colleges, 40% more than the number revoked by the last Government. We have also discovered by researching the figures that in some sectors of the education world—especially private sector further education colleges—26% of students are not complying with the visas with which they entered the country. That means that tens of thousands of students are breaking the rules in some way each year. That is simply unacceptable, and we will deal with it.

Topical Questions

T1. [28290] **Annette Brooke** (Mid Dorset and North Poole) (LD): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Mrs Theresa May): Last Tuesday, we introduced the Police Reform and Social Responsibility Bill. It makes provision for the new police and crime commissioners, who will ensure that for the first time the public have a greater say over how their community is policed. That will make forces truly accountable to the communities whom they serve, and will ensure that resources are targeted properly where they are needed.

Annette Brooke: Will the Home Secretary update the House on progress towards the ending of child detention in relation to immigration? What improvements can she make to ensure that family applications are processed at an earlier stage?

Mrs May: I am grateful to my hon. Friend for giving me the opportunity to confirm, first, that the coalition Government retain their commitment to ending the detention of children for immigration purposes and, secondly, that we will make an announcement before the House rises for its Christmas recess. One of the issues that we will be considering is how we can work with families at a much earlier stage of the application process to help them to negotiate the system.

T6. [28296] **Toby Perkins** (Chesterfield) (Lab): In 1997, a 17-year-old girl in Chesterfield was raped. The offence remained undetected by the police for 12 years. Finally, a gentleman who was arrested and not charged was matched to it by the DNA database, and he is now serving time. Why is the Home Secretary more in favour of supporting someone like that than supporting use of the DNA database by our police to ensure that dangerous rapists are locked up?

Mrs May: I do not accept what the hon. Gentleman has said about what the Government are doing. The Government take a very simple view. The last Government wanted to hold the DNA records of innocent people, but did not even possess the DNA records of all those

who were in prison. We will change that. We will establish the protections of the Scottish model in relation to the DNA database. DNA will continue to be a tool available to the police to secure convictions, but it is crucial for us to stop holding the DNA records of innocent victims without holding those of all the people who are in prison.

T3. [28292] **Mr Philip Hollobone** (Kettering) (Con): What steps are being taken with the help of the French authorities to stop the steady flow of illegal immigration from the northern French coast into our channel ports?

The Minister for Immigration (Damian Green): Very effective steps. I am grateful to the French Government for the changes that they have made, not just the closure of Sangatte some years ago but, more recently, the clearing of "the jungle", the unofficial camp that was set up. We also have our own juxtaposed controls. British customs and immigration officers are standing on the French side of the border, not just in Calais but at the Gare du Nord and other rail points at which people can gain direct entry to Britain. That has had measurable results. The number of illegal immigrants caught in Kent in the area of the channel ports is now running at about a fifth of the previous level, so the extra controls are visibly working.

T7. [28297] **Fiona O'Donnell** (East Lothian) (Lab): On Wednesday, responding to a question about correspondence sent by the UK Border Agency to asylum seekers in Glasgow who were tenants of the city council, the Under-Secretary of State for Scotland reassured the House that lessons had been learned. On the same day, a 34-year-old single mother received a telephone call from the agency telling her that she would have to move not within the promised 14 days, but within 24 hours. What further steps is the Secretary of State taking to ensure that what is said in this place reflects what is happening in Glasgow?

Damian Green: I am afraid the hon. Lady is completely misinformed about the facts of this case. She need not take that from me; she can take it from her own colleague, the Chairman of the Select Committee on Scottish Affairs, the hon. Member for Glasgow South West (Mr Davidson). He has been approached on this subject, as I have by many people. In response to an e-mail about it that he received, he wrote:

"It would...appear that the circular which prompted"

the e-mail he received

"was, at the least, not entirely accurate and thus mischievous.

Mrs Namir Rad's move has nothing whatsoever to do with the"

Glasgow city council and

"UKBA contract termination, she was not given only 24 hours' notice and her move is within her existing community area."

He goes on to say:

"Scaremongering is not only unhelpful and misleading. It also undermines the credibility of any genuine appeals for help that are made."

I completely agree with the hon. Gentleman on this matter.

Mr Speaker: Chris Skidmore. Not here.

T5. [28295] **Margot James** (Stourbridge) (Con): It costs an extra £100,000 a year on top of normal policing costs to police Stourbridge high street late on a Friday and Saturday night. What plans does the Home Office have to protect the taxpayer from the costs of alcohol-related crime?

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I am grateful to my hon. Friend for her question, which underlines the pressures that dealing with the problems of the night-time economy put on the police. Indeed, a recent study found that about 46% of officers highlighted the night-time economy as one of the main causes of their overtime payments. It is for precisely that reason that we are seeking to introduce the late-night levy in the recent Police Reform and Social Responsibility Bill. It will be for local authorities and local communities to decide how best to use that power, as well as other powers that are very much about giving control back to communities and promoting a responsible approach to alcohol, which, sadly, the previous Administration did not pursue.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): In an earlier reply, the Home Secretary was a bit vague about the ending of the detention of children in removal cases. Does the commitment to end the holding of children in prison in those cases by Christmas still stand?

Mrs May: I was not at all vague. The commitment does still stand. I said in my earlier answer that the coalition Government's commitment to ending the detention of children for immigration purposes still stands, and we will be making an announcement to this House before the Christmas recess.

T8. [28298] **Andrew Griffiths** (Burton) (Con): The Minister will know that 50% of all violent crimes are alcohol related, and that 70% of alcohol is now sold through supermarkets and the off-trade. Given his commitment to tackling alcohol-related crime and binge drinking, does he not agree that the measures he set out earlier are weighted against pubs and that if he wants to take real action, they must be followed up with a ban on below-cost selling to tackle binge drinking?

James Brokenshire: My hon. Friend makes a very important and powerful point on the approach that needs to be taken to alcohol and why the Government remain committed to banning below-cost sales as set out in our statements in the coalition agreement. We will be bringing forward proposals in due course. It is also worth mentioning that the late-night levy will apply to the off-trade as well as the on-trade, and that it will give local communities the flexibility to provide discounts for businesses who are members of Best Bar None and similar schemes.

Mr Geoffrey Robinson (Coventry North West) (Lab): Is the Minister aware that the chief constable of West Midlands police has already announced that there will be a reduction of upwards of 2,000 police officers in the west midlands? How much greater a reduction does he think the west midlands, and Coventry in particular, could take, in order to put to the test his absurd proposition that there is no link between police numbers and crime levels?

Mrs May: My right hon. Friend the Minister for Policing and Criminal Justice was absolutely clear that there is no simple link between police numbers and levels of crime. Indeed, that view was reiterated last September by the right hon. Member for Exeter (Mr Bradshaw)—and perhaps the hon. Gentleman could have a conversation with him about this very point as they are sitting next to each other on the Opposition Benches.

T9. [28299] **Dr Julian Lewis** (New Forest East) (Con): In the WikiLeaks affair referred to earlier, was not the real problem that a low-level crime yielded such a high volume of confidential data? So is not the real lesson for the future that gigantic databases of this sort ought not to be created? Will the Home Secretary be spreading that lesson around relevant Departments?

Mrs May: As I said in response to an earlier question from my hon. Friend the Member for Henley (John Howell), the national security adviser has been in touch with Departments about the use of confidential information by the UK Government, asking them to review matters and provide him with assurances about their information security arrangements. I am sure that my hon. Friend the Member for New Forest East (Dr Lewis) will be aware that there is a balance to be achieved between the very real need for people to have access to information in order to be able to do their jobs properly and the need to restrict access to some of that information. That balance has to be achieved, and decisions are made on that basis.

Natascha Engel (North East Derbyshire) (Lab): Police community support officers are arguably even more important in communities such as North East Derbyshire that are rural and isolated, so what impact does the Home Secretary think cuts to the budget of Derbyshire police force will have on community policing in constituencies such as mine?

Mrs May: We have been absolutely clear about the need for forces to ensure that the cuts are made to the back office, procurement, IT provision and so forth. Forces must focus, in line with what chief constables up and down the country are saying, on front-line policing—on visible community policing—which is of benefit not only to forces in terms of catching criminals, but of course to local communities.

Tom Brake (Carshalton and Wallington) (LD): What discussions has the Home Secretary had with police forces about the potential to increase police visibility by, for example, reducing the 100 or so processes that the police and police staff have to go through between the reporting of a crime and the final appearance in court?

Mrs May: I am pleased to say that a number of discussions are taking place with police forces about how we can ensure that we bring greater efficiencies into the whole criminal justice system in order to get the benefits and make the gains to which my hon. Friend referred. I am not just discussing that with the police forces; together with the Police Minister, I am discussing it with the Attorney-General and the Lord Chancellor.

Paul Flynn (Newport West) (Lab): Do the Government really intend to end the obligation for scientists to be members of the Advisory Council on the Misuse of Drugs? Will this not result in the failing Government drugs policy ending up being evidence-free and prejudice-rich?

James Brokenshire: I am grateful to the hon. Gentleman for his question, because it allows me to underline the importance that the Government place on scientific advice and the important role that the Advisory Council on the Misuse of Drugs plays in the formulation of our drugs policies. I can make it absolutely clear that our proposals are intended to add greater flexibility to the provision of advice given to government, in order to ensure that we are able to get more effective policies, given the changing nature of the drugs threat. The proposals were drawn up in conjunction with the Advisory Council on the Misuse of Drugs, and I should add that they have the support of the Government's chief scientific officer, Professor John Beddington.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Can the Home Secretary update us on how many more countries she has been able to make arrangements with so that foreign prisoners who have served their sentences can return to their home countries?

Damian Green: We are constantly in negotiation with all foreign countries where a significant number of prisoners are involved, and we now have charters going back regularly to Iraq, Afghanistan, Nigeria and Jamaica. We are continuing with and trying to expand this campaign, because it is extremely important that when foreign prisoners have finished their sentence, they return to their own countries and do not hang around in this country, as sadly they have been doing.

Fiona Mactaggart (Slough) (Lab): In the discussion about reducing police numbers, the Home Secretary puts a lot of emphasis on visible policing, but some of the most effective policing is invisible. This morning, I attended a briefing by the Operation Golf team, which has dealt very effectively with child trafficking. Can she assure the House that resources will be available for the police to tackle human trafficking and that they will have sufficient numbers of officers to mount similar operations with other police forces in future?

Damian Green: I completely agree with the hon. Lady about the importance of the effectiveness of combating human trafficking. Indeed, she was on the Front Bench when I revealed that early next year, as part of the new national crime strategy, we will produce a new anti-trafficking strategy precisely so that all the forces of law and order can be more effective in combating that disgraceful and evil crime.

Gordon Henderson (Sittingbourne and Sheppey) (Con): It has today been brought to my attention that all e-mails sent using the parliamentary system are redirected through computer networks in a foreign country. Will my right hon. Friend undertake a review of that arrangement to see whether there are implications for national security?

Mrs May: I have to say to my hon. Friend—I am looking at you, Mr Speaker—that I am not sure that responsibility for the processing of parliamentary e-mails is a matter for the Home Office. I think that it is a matter for the House of Commons Commission and the parliamentary authorities.

Phil Wilson (Sedgefield) (Lab): On 31 October, on the "Politics Show", the chief constable of Durham Constabulary, Jon Stoddart, said in answer to a question about the reduction in police budgets:

"Well what we are having to do is take more risks...That does not come without costs."

What kind of irresponsible Government would make front-line police officers take more risks in their jobs?

The Minister for Policing and Criminal Justice (Nick Herbert): The Government's determination is to support police forces in England and Wales in making savings in the back and middle offices, by becoming more efficient, sharing services, improving IT, procuring together and so on so that they can protect the visible and available front-line policing that the public value.

Duncan Hames (Chippenham) (LD): In relation to the use of control orders, the Government's independent reviewer of terrorist legislation last week suggested that they should instead devise a new system. Will the Home Secretary heed his advice and replace them?

Mrs May: The review of counter-terrorism legislation is of course taking advice and representations from a wide variety of those who have interests in control orders and other aspects of counter-terrorism legislation. Indeed, the reviewer of counter-terrorism legislation has made his views clear to the review.

Andrew Gwynne (Denton and Reddish) (Lab): Some 1,400 police officers and 1,500 police staff are to be axed from Greater Manchester police. Given that the Conservatives—and the Liberal Democrats, for that matter—locally pledged more not fewer police in the elections last May, will the Secretary of State take the opportunity to apologise on their behalf?

Nick Herbert: The test of the effectiveness of a force is not the overall number of people who are working in it but what those officers are doing. We share the determination of the chief constable of Greater Manchester police to protect the front line and to ensure that officers remain on the streets and available when the public want them.

Tony Baldry (Banbury) (Con): Is not my right hon. Friend concerned that some 2,000 police officers—almost equivalent to a whole police force—are off on long-term sick and unable to work? In any other occupation, such employees would probably be retired as unavailable for work. I do not understand why those provisions do not apply, because otherwise we have a number of police officers on the books who simply are not able to work.

Nick Herbert: I share my hon. Friend's concern. It is an issue and we have set up a review of police officer employment and conditions, headed by Tom Winsor, that will make its first report shortly.

Points of Order

3.33 pm

Mr John Denham (Southampton, Itchen) (Lab): On a point of order, Mr Speaker. On Tuesday, the House debated the need for more information on higher education policy, including the national studentship scheme. No information was forthcoming. Yesterday, a scheme was briefed to newspapers that means that students whose parents do not work will get reduced fees and students whose parents work but are on a low income will not get any help. What steps can you take, Mr Speaker, to ensure that we do not vote on Thursday without the House having all the necessary information about the Government's higher education policies?

Mr Speaker: I am grateful to the right hon. Gentleman for giving me notice of his point of order. I have not been informed of any imminent Government statement on that subject, but there will be other opportunities to canvass these issues in the course of the week. I should be very surprised if further particulars of policy were not forthcoming before the vote on Thursday, especially as a Minister will be speaking in the debate—I rather fancy that the right hon. Gentleman will be speaking, too.

Vernon Coaker (Gedling) (Lab): On a point of order, Mr Speaker. Is it in order for me to put on the record what the Minister for Policing and Criminal Justice said on "The World This Weekend" on 21 November when talking about the link between the increase in the number of police officers—

Mr Speaker: Order. In keeping with his usual courtesy, the hon. Gentleman asked whether it would be in order to put this matter on the record, so I feel I should put him out of his misery and explain that, no, it would not be.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): On a point of order, Mr Speaker. You will recall that the hon. Member for Walthamstow (Stella Creasy) made a point of order last week, which was followed up by her and by the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) in last Thursday's business questions, regarding the transfer of oral parliamentary questions. My office took this matter up with the relevant Department and the questions have now been answered. However, in last Monday's point of order, the issue of transferring oral parliamentary questions was also raised. Having checked with the Department, I am assured that the questions were transferred within 24 hours of being tabled and that the relevant Members and the Table Office were notified. That is in line with the guidance given to Departments that oral questions should be transferred as soon as possible after tabling and never on the day for answer. My office has issued a reminder to parliamentary teams across Whitehall to ensure that best practice is always followed in this regard.

Mr Speaker: I am grateful to the Deputy Leader of the House for that. We cannot have an extended exchange on this particular matter, but because he referred—perfectly properly—to the hon. Member for Walthamstow (Stella Creasy), who was jumping up and down, if she wants to raise a point of order, I am very happy to hear and respond to it.

Stella Creasy (Walthamstow) (Lab/Co-op): Further to that point of order, Mr Speaker. I would be happy to go through the details of those questions with the Deputy Leader of the House, but it simply is not true that they were transferred within 24 hours. Indeed, we were given days on which we would get answers but we were getting none and when we spoke to the Departments, they had no idea about the questions. I think that further investigations are merited and I hope you will support that, Mr Speaker.

Mr Speaker: There is now a dispute as to the facts but that cannot be the subject of extended points of order. I strongly suggest that the complaining Member and the responsible Minister or the Deputy Leader of the House should get together and try to sort this matter outside the Chamber.

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. *[Interruption.]* I hope that the Home Secretary will stay a moment longer before she leaves the Chamber. I realise that this is not for you, Mr Speaker, but I am sure that you will have read, over the weekend, the substantial coverage of the action that the Home Secretary has taken in relation to a researcher working for a Member of the House. I am sure that you would not want to comment on that because it is still sub judice—I understand that that person is appealing the decision—but it would clearly be a very important matter if an agent working for a foreign power were to be employed in the House. I hope that you can assure the House that the Home Secretary will seek to make an oral statement to the House when that process is finished and that you, as always, are keeping all the security measures in the House, including the vetting of potential researchers, under review.

Mr Speaker: Well, I think that someone once said of the hon. Gentleman that his mind climbs mountains without any molehills. He is always thinking ahead of himself and I am not surprised, as he has a great elasticity of mind, but he is seeking to draw me into matters beyond where we have reached and he is absolutely right in his initial supposition that we do not discuss security matters on the Floor of the House. He has registered his concern that the Home Secretary should be ready to make a statement if the eventuality he fears could happen, but should not, actually happens. I have a strong feeling that her office reads *Hansard*. I think that will probably do for today.

Mr Ben Bradshaw (Exeter) (Lab): On a point of order, Mr Speaker. Will you investigate whether there is some extraordinary pact or audacious dare between Ministers and broadcasters to insert a particularly unsavoury word into their performances—before this virus is allowed to spread any further?

Mr Speaker: I am grateful to the right hon. Gentleman. That is not a point of order, but he has made the point with his characteristic subtlety.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Mr Speaker. I am sure that the Home Secretary wants to be accurate in her replies to the House and in view of a woolly reply that she gave to an earlier question, when I asked whether she stood by the pledge by Ministers to end by Christmas the holding in prison of children involved in removal cases—

Mr Speaker: Order. Let me anticipate what the right hon. Gentleman is likely to go on to say. I note the difference between the commitment that he is seeking and what the Home Secretary said, but as a very experienced Member of the House and former Minister, he knows that I am not responsible for the content of answers. What the right hon. Gentleman is about, of course, is trying to remind the House and his constituents of his dissatisfaction that his point was not answered as he would have wished. I think he has accomplished his objective, and we will leave it there.

Kevin Brennan (Cardiff West) (Lab): On a point of order, Mr Speaker. Can you confirm that it is in order during a Division for hon. Members to walk through both the Aye and the No Lobby if they seek to register an active abstention? For those who are not sure how to vote on Thursday in the tuition fees vote, would that not have the advantage of allowing them to say that they voted both for and against it, depending on their audience?

Mr Speaker: Yes.

Huw Irranca-Davies (Ogmore) (Lab): On a point of order, Mr Speaker. I seek clarification for my constituent, Mrs Amanda Matthews, and myself. As the House knows, the whole House is on a three-month holiday through the summer, so it came as a great surprise that the Treasury received a letter from me on 4 August. I must have been working. The Treasury, however, must have been on holiday because there was no reply to that letter, or to the letters of 21 September, 12 October or 3 November. May I seek your guidance as to whether there has been some change in the Whitehall directive about answering MPs' correspondence on behalf of their constituents? I am pleased to say that in the past two days I have received the answer, only four months after I sent the original letter.

Mr Speaker: That is not a matter for the Chair. I am grateful to the hon. Gentleman for giving me notice of his intended and what I will describe as attempted point of order. I appreciate his frustration at not receiving a satisfactory reply, although he says that he has now received one. He has made his point and it will have been heard on the Treasury Bench. For wider application, he might want to consult the Table Office about other ways of pursuing these matters in the event of receiving no reply or replies that he regards as excessively tardy.

Opposition Day

[8TH ALLOTTED DAY]

Local Government Funding

3.42 pm

Caroline Flint (Don Valley) (Lab): I beg to move,

That this House notes with concern that local councils will lose, on average, 27 per cent. of their funding over the next four years, compared to 11 per cent., on average, for Whitehall departments; regrets the frontloading of reductions in funding which means that the heaviest cuts will fall in the first year; believes that the unexpected severity of the cuts will result in substantial job losses in the public and private sector, undermine the voluntary sector and hit frontline services; regrets the inadequate level of capitalisation available to local councils to deal with redundancy costs of up to £2 billion; further notes the commitment in the coalition agreement to ensure that fairness is at the heart of decisions and that those most in need are protected; is disappointed that the most deprived areas will be hit hardest by the reductions in funding; and calls on the Government to revise its proposals before making the provisional finance settlement to ensure that any reductions in funding are more evenly spread over four years and do not fall disproportionately on the most deprived communities.

There is common cause across the House in recognising the need to reduce the deficit. Labour had a plan to halve Britain's borrowing over a four-year period. That would have meant cuts in spending and would have resulted in reductions to local government funding, but not like the Government's cuts. I will not let the coalition pass the blame for cuts of their choosing, their design and their timing on to us. Let me, once and for all, nail the myth that there is no alternative. The Government had a choice.

Sir Alan Beith (Berwick-upon-Tweed) (LD): That would be a reasonable position for the right hon. Lady to adopt if she set out in some detail how Labour's programme of cuts would impact on local government.

Caroline Flint: We are dealing with a package, which is what local councils will face. Even on the coalition Government's most extravagant predictions of what we might have cut, with which I do not concur, the cuts proposed by the coalition Government, of whom the right hon. Gentleman is an ally, would have meant another £2.2 billion worth of cuts over a four-year period, and they are front-loaded in a way that is dangerous for local communities and the services that they need.

Mr Dave Watts (St Helens North) (Lab): Is my right hon. Friend amazed to hear that question, bearing in mind that the Government have not announced what cuts are to take place? It is likely that local authorities will not know that until December, giving them just a few months to adjust the budget.

Caroline Flint: My hon. Friend is right: we do not know what the settlement announcement will be at this stage, but what we do know is that local authorities have been told that they will face cuts of 27% in their funding over a four-year period. As I will set out in more detail, much of that is being front-loaded in an incredibly short period of time, which makes no sense at all.

Mr Jim Cunningham (Coventry South) (Lab): Does my right hon. Friend realise that Coventry city council, for example, will lose not only front-line staff, but £45 million over the next two or three years in different types of grants? Is that not an horrendous thing to inflict on the people of Coventry?

Caroline Flint: It is absolutely dreadful. As we will see in this debate, not only are the cuts unfair for the whole of local government; they will attack the poorest communities up and down the country. That is neither fair nor right, and it is not something that we would have done. This Government had a choice. They have chosen to cut deeper and faster, taking a huge gamble with jobs and growth. They could have shared the reductions in spending between Whitehall and town halls, but instead, they have chosen to dump cuts on local councils up and down the country. The Government could have spread the cuts evenly over four years, giving councils time to plan where savings could be made, but instead they chose to front-load them, so that councils are crippled by the heaviest cuts falling in the first year.

Rehman Chishti (Gillingham and Rainham) (Con): Does the shadow Secretary of State agree that a freeze in council tax will help hard-pressed families, who were hit by the previous Government's year-on-year increases in council tax bills?

Caroline Flint: The irony of the hon. Gentleman's point of view is that the most affluent areas will benefit from the freeze in council tax and the transition payments that the Government are providing. Those in the poorest areas, with the lowest amount of take from council tax, will have a double whammy, because to pay for the council tax freeze, the 2.5% is being top-sliced from the formula grant. The Government could have ensured that the cuts were spread fairly, but their choice was not to do so. Those are the risks that they are prepared to take. The danger is that communities up and down the country will pay the price, and we will not let the Government forget it.

Hazel Blears (Salford and Eccles) (Lab): Is my right hon. Friend aware that the chairman of the Tory party, Baroness Warsi, said to the *Manchester Evening News* in September:

"Regions like Greater Manchester will not suffer disadvantage under the coalition government...If anything the regions will be protected and supported to ensure they grow"?

With Salford council facing £40 million to £45 million of devastating cuts and West Oxfordshire district council—which contains Witney, the Prime Minister's constituency—getting a 37% increase, how can this possibly mean that regions such as Greater Manchester are to be protected?

Caroline Flint: As usual, my right hon. Friend makes an excellent point, based on facts, and the facts are that the cuts to local government will have a devastating impact on our poorest communities. Not only that, but local authorities up and down the country, of whatever political persuasion, are facing a huge task in having to tackle the front-loading of cuts in a matter of weeks, which is not good for either services, jobs or communities.

The Government like to talk about localism—about devolving power to local councils and empowering local communities. In fact, the coalition agreement boldly states that the Government will

"promote the radical devolution of power and greater financial autonomy to local government and community groups."

Well, the cuts have come, but we are still waiting for the localism. For all their talk of localism, this Government have imposed the largest cuts to local government funding for a generation—cuts that are much deeper than those to other Departments or those originally forecast in the Budget in June; cuts that fall heaviest in the first year and hit the most deprived communities. So much for fairness, localism, and devolving powers to local councils and community groups. The only thing that this Government want to devolve is the blame for difficult decisions.

Joan Ruddock (Lewisham, Deptford) (Lab): I wonder whether my right hon. Friend recalls the Chancellor saying:

"I am not going to balance the budget on the backs of the poor."

Does she agree that what we are seeing is breathtaking hypocrisy?

Caroline Flint: I do, and whether in local government, education or health, it is the poorest and vulnerable who are being hit the hardest, as well as those hard-working families who pay their way, but who also depend on local services to provide for themselves and their families. They do not ask for much from the Government, but they ask for them to be on their side—to make sure that work pays and that they can look after their families—and this Government are not providing that security. The whole House knows why that has happened—why local councils will lose almost one third of their funding over the next four years.

Simon Hughes (Bermondsey and Old Southwark) (LD): A debate about local government is welcome, because local government and its financing are important, but as the right hon. Lady launches her attack on the Government, as she is entitled to do, will she make her position clear,? Did not her Government, when in office, say that there would be a £52 billion cut in public services? How much of that would have fallen on local government? Was the decision to end the working neighbourhoods fund and to cut regeneration funding not taken in March by her Government's Chancellor of the Exchequer, when he was in office?

Caroline Flint: On the working neighbourhoods fund, I am afraid that the hon. Gentleman has fallen into his Tory coalition partners' trap. The Tories say, and he repeats the claim, that we planned to scrap the working neighbourhoods fund and had already cut money from it. In the March Budget we did announce savings, including £300 million through rationalising the regional development agencies, but we clearly distinguished between those programmes that were not a priority and would therefore be scrapped and those, including the working neighbourhoods fund, to which we were committed but would look to find savings in. It was a three-year programme in which, in November 2009—[HON. MEMBERS: "Three years."]. Three years' funding is more than the one year that we used to have under Tory Governments, and more than the non-existent funding that poorer communities had under the Tory Government from 1979 to 1997.

Indeed, in November 2009 we announced a £40 million boost to the fund, worth £1.5 billion from 2008-09 to 2009-10. Of course, we had to look at programmes, but there is no evidence whatever to suggest that we would have scrapped the working neighbourhoods fund. That is not the case.

Robert Halfon (Harlow) (Con): The right hon. Lady talks about devolution, but her Government took £13 million out of the housing budget in Harlow, where 45% of housing is social housing. The current Government are ending that and guaranteeing Harlow housing money for Harlow people.

Caroline Flint: I am afraid that is rubbish. The Labour Government, in so many different ways, contributed not only to boosting the refurbishment of homes that had been left to languish for too many years under the Tory Government, but to ensuring that there were ways and means for local councils, with other housing providers, to provide more homes.

The National Housing Federation, I think I am correct in repeating, says that, once the homes that Labour funded in its last period in office have been built, under the coalition Government's plans, no more homes will be built. In relation—*[Interruption.]* The Minister for Housing and Local Government says "nonsense", but let us just wait and see, because even in a time of recession, it was Labour money that worked in partnership with others—[Hon. Members: "Taxpayers' money".] It was taxpayers' money with which a Labour Government decided that we should promote the building of more social homes. Even in the teeth of recession, I think we built at least 55,000 homes to provide for people who could not afford a house on the private market.

We all know why that front-loaded package is happening: because the Secretary of State gives the impression of being more interested in trashing local councils, chasing cheap headlines, calling councillors stupid or lazy and telling local authorities to grow up. The hundreds of thousands of decent, honest, hard-working people who work in local government, and the millions of people who depend on the services and support that they provide, hardly seem to warrant a second thought, but they will be the ones who pay the price for this Government's decisions.

To make matters worse, local councils are being forced to make deeper cuts than they expected and to do so much quicker, because the reductions in local government funding are front-loaded. As much as 50% of the cuts could fall in the first year. Councillors are looking at cuts of 14%, 16% or 18% to their budgets within weeks, but the Secretary of State still denies it. He says that it is a fiction, but he is about the only person left who still thinks so.

Sir Paul Beresford (Mole Valley) (Con): I hope that the right hon. Lady will not forget that from 1997 onwards the then Deputy Prime Minister, the Secretary of State responsible for local government funding, changed the formulas three times, each occasion moving money north to Labour authorities and away from London and the south-east. In one year, the year-on-year effect in Surrey, for example, was a £39 million loss.

Caroline Flint: I think I am right in saying that, for every year we were in power, there was an above inflation increase in local government spending. I am not going to apologise for trying to show leadership in addressing need, inequality and poverty in this country. Perhaps that is something that the Secretary of State and his hon. Friends on the Government Front Bench do not want to champion anymore.

Lyn Brown (West Ham) (Lab): My right hon. Friend talked about the cuts being front-loaded. Figures from Newham council suggest that a large proportion of the nearly £40 million cuts for Newham—13% of the 25% total cuts that are being proposed by the Government—will take place in year one.

Caroline Flint: That is another example of the devastating impact of the cuts in the first year. I say to the Secretary of State: is that a fiction?

The Secretary of State for Communities and Local Government (Mr Eric Pickles): Yes.

Caroline Flint: I am very much looking forward to the missives I can hear being typed out in town halls in London and across the country to put the Secretary of State right on that one.

Mr Watts: Is my right hon. Friend aware that the changes to the grant system are only putting right what the previous Tory Government had done? When I was the leader of St Helens council, the then Tory Government, in one year, took more than £13 million of grants from St Helens—a deprived community—to give to their friends.

Caroline Flint: As he did during a Westminster Hall debate last week, my hon. Friend lays out the real choices that are being made here about fairness and unfairness. What is happening is unfair and is not right.

Stephen Lloyd (Eastbourne) (LD): Talking of hypocrisy, does the right hon. Lady agree with her party's leader, the right hon. Member for Doncaster Central, who said on the "Today" programme in April, "as we look forward" regeneration spending is

"not the biggest priority we face"

as there are "other competing priorities."? Is that not hypocrisy writ large?

Caroline Flint: The constituency of the leader of the Labour party is actually Doncaster North not Doncaster Central.

As I opened the debate, I did not hesitate for a moment to say that reductions and cuts would have had to be made. The question is how much, how deep and how fast. It is not just Labour politicians who are saying that; the chair of the Local Government Association, Baroness Eaton, a Conservative peer said:

"The unexpected severity of the cuts that will have to be made next year will put many councils in an unprecedented and difficult position."

I could not have put it better myself.

Henry Smith (Crawley) (Con): Will the right hon. Lady give way.

Caroline Flint: I will give way shortly.

Grahame Lucas, the President of the Society of District Council Treasurers, said that front-loading was happening —not that it was fiction, Mr Secretary of State—and that its consequences would be disastrous. Even the Secretary of State's Parliamentary Private Secretary, the hon. Member for Wimbledon (Stephen Hammond) knows that there is a problem. At County Councils Network conference on 22 November, he told council leaders that front-loading

"has exercised ministers for some time".

He asked them to "wait for the settlement." Who knows, perhaps today's debate and the cries from their own people across the country will have an impact. Today, we are trying to tell the Government that they should listen and try to do something to avert the disaster that will happen in a few weeks' time.

Andrew Percy (Brigg and Goole) (Con): I thank my constituency neighbour for giving way to me. May I say gently and in the most friendly way possible, that I served on a metropolitan northern authority for 10 years and the picture was not quite as rosy? Although there might well have been some extra resources, all too often, what came with that were huge burdens that were not fully funded—whether that was free swimming, local bus passes or whatever. Local tax payers, who are some of the poorest tax payers, had to pick up the bill.

Caroline Flint: The hon. Gentleman is indeed a neighbour of mine in Yorkshire. Correct me if I am wrong, but I cannot remember that there were many Tory-controlled councils that did not want free swimming when it was being offered or that did not want a number of other benefits for their communities. However, I would have to say to the hon. Gentleman, in the nicest possible way, that if people thought it was not rosy then, they must now be in despair about what is ahead.

We are hearing from councillors of all parties that if councils are not given enough time to plan which cuts to make, they will be forced into making rushed decisions with no time to plan for the consequences, which could end up costing more than they save.

Christopher Pincher (Tamworth) (Con) *rose*

Mr Jim Cunningham *rose*

Caroline Flint: I will give way shortly to hon. Friends and to Government Members. I want to be generous because this is such an important issue.

The Secretary of State—I agree with him on this—wants councils to think how they might transfer assets to the community, which we enabled when we were in government, and involve voluntary groups and share back-room functions, which we also encouraged when we were in government. There is absolutely nothing wrong with the principle, but it cannot be done in a few rushed months: it takes time and planning, which the Government refuse to give to local authorities. As a result, the worry is that councils will simply go for the easiest and quickest cuts instead of thinking about how they save money while minimising service cuts and job losses.

Henry Smith: The right hon. Lady said that we are apparently yet to see any localism or devolution to local government, but does she concede that greater flexibilities and the ending of the ring-fencing of many budgets will give exactly the flexibilities that many local communities need? It will certainly be welcomed by my local authority, West Sussex county council, which suffered eight years of the lowest possible Government settlements under the previous Government.

Caroline Flint: I recognise the hon. Gentleman's experience in local government; I believe he was leader of West Sussex county council.

The Secretary of State says that local councils have a choice:

"They can panic; they can slash and burn services regardless of the impact that will have. Or they can take the opportunity to completely rethink everything they are doing, creating a modern, flexible and innovative council."

Councils should be modern and should embrace flexibility and innovation, but by imposing such huge, unprecedented front-loaded cuts on them he denies them that very choice. How can councils completely rethink everything in a matter of a few weeks?

Mr Cunningham: Does my right hon. Friend think that we have here a re-run of the '80s, when the Conservatives cut the rate support grant and the housing allocation, local authorities were forced to sell old people's homes and there were reductions among teachers and front-line staff. The House should not be filled up with that lot over there—they are using the recession as an excuse to inflict Thatcherite policies. Last week the Prime Minister admitted to being a child of Thatcher. Does not this House recognise what is going on right under its nose?

Caroline Flint: It is actually worse than the '80s, because these cuts are deeper and faster, and they leave local government with very little choice. There are positive aspects to devolving power; we did a lot of it while we were in power. *[Interruption.]* It is true. I know that the Secretary of State likes to issue his diktats from the Department like some Joe Stalin, but rewriting history is a stretch too far.

Hazel Blears: My right hon. Friend is making a characteristically powerful case against the front-loading of these cuts. I ask her, as I hope to ask the Secretary of State, to consider whether, as there is apparently likely to be a £3 billion surplus in national non-domestic rates, it would be a good idea to distribute that sum to smooth out the effects of the cuts next year and the following year. Would that not seem to be an eminently sensible course of action that may well commend itself across the House?

Caroline Flint: I understand that the Secretary of State has had a letter from John Merry on this important issue. What we are asking is pretty reasonable. We are saying: "Have another look. See whether you can stagger these cuts in a better way. See if you can dampen the cuts to tackle inequality, but also look at other opportunities that are available to get this right by minimising the impact on front-line services and the unnecessary loss of jobs." That is what we are talking about: the people who will pay the price in their jobs.

Mr Gordon Marsden (Blackpool South) (Lab): My right hon. Friend rightly talks of what we did in government. Does she share my amazement and that of many hon. Members at the joviality of Government Members? In their first few months in office, the Government ignored the impetus that had been created by the Labour Government with Total Place? The Government had to be dragged, screaming, by their advisers to reconsider, and even then they renamed it.

Caroline Flint: There is a rewriting of history with regard to these good ideas. When I picked up one of the Sunday newspapers to read about changes to planning, I recognised a few changes that had been initiated when I was Minister for Housing and Planning and had been carried on by my right hon. Friend the Member for Wentworth and Dearne (John Healey). Total Place was a very good idea. It was a system by which different organisations came together in common cause to tackle challenges in the community, and to share their funding and budgets. The scheme has had two names since the coalition Government came to power: place-based budgets and community-based budgets. The fact is, it was our idea. I am sure that my hon. Friend the Member for Blackpool South (Mr Marsden) will agree that such innovation is all very well, but that it is difficult to imagine the Total Place concept hitting the ground running in the context of the cuts faced not only in local government but in policing and through the reorganisation of primary care trusts.

Mr Rob Wilson (Reading East) (Con): The right hon. Lady is being most generous in giving way. May I clarify her position on cuts? She seems to be saying that her party would cut more slowly than the Government. Does she understand the implications of that? It would mean the Government borrowing more and paying more interest, because they would be borrowing over a longer period. Does she really think that taxpayers would thank a Labour Government for paying back money on their behalf to foreign Governments such as the Chinese Government?

Caroline Flint: The price being paid in this country is that of people being put on the dole and therefore not paying tax. The price will be paid by local economies and private businesses that depend on local government contracts and by the voluntary sector, which depends on local government to fund its services. There are prices to be paid and choices to be made. We would not have chosen to front-load the cuts in such a way as to fundamentally break the fabric of our communities.

Organisations that research this issue have shown that parts of the country, through no fault of their own, depend on public sector jobs to keep their communities afloat. Despite all the warm words in Government statements, the coalition agreement and the comprehensive spending review document about fairness and protecting the most vulnerable communities, there has been little sign in the statements of the Secretary of State, the Chancellor and the Prime Minister of how they will ensure that the cuts do not disproportionately affect our poorest communities. I hope we will hear something in the financial settlement. That is why we are having this debate today. At the moment, I am afraid that Government Front Benchers are not listening.

John Woodcock (Barrow and Furness) (Lab/Co-op): Does my right hon. Friend appreciate the alarm that the people of Barrow and Furness are experiencing? According to modelling in yesterday's *Local Government Chronicle*, their community could be among the top three places in the country to experience the deepest cuts, despite its having many of the most deprived areas.

Caroline Flint: My hon. Friend's point about his constituency applies to others. It is clear that some of the most deprived communities in our country face the biggest impact and the brunt of the cuts, not those who are better off. I wish that every area was better off, but it is not like that. That is why we must tackle inequality and be fair. We must be a civilised and decent society, but that is not what is going on.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Does my right hon. Friend share my concern that it is not only deprived communities that will suffer because of the way in which the cuts are being implemented, but women—and thereby children—because they make up approximately 73% of local authority employees?

Caroline Flint: My hon. Friend hits the nail on the head. About 74% of those who work in local government are women. It is rather ironic that on the day the Fawcett Society is again challenging the coalition Government's Budget in court because of its disproportionate effect on women and children, women are yet again being asked to pay the price. Women who work in local government, often part-time at the lower end of the pay scale, face the complete disruption of their family and working life.

Several hon. Members *rose*—

Caroline Flint: I have been very generous in taking interventions, and I am conscious of the number of Members who wish to speak in the debate. *[Interruption.]* I do not think that hon. Members can accuse me of not being generous in giving way. I will take more interventions later, but I should like to make a bit of progress.

Christopher Pincher: Will the right hon. Lady give way?

Caroline Flint: The hon. Gentleman heard what I had to say—I am going to make a bit of progress, but I may take more interventions later.

People will pay the price with their jobs. The Secretary of State likes to give the impression that savings can be made without causing job losses, as though simply by freezing recruitment, natural wastage, redeploying people and scrapping or sharing back-room functions, local councils will find the savings they need to make without hitting front-line services. Local councils cannot deliver such savings so quickly on top of the £1 billion of savings they have already made this year without cutting jobs or reducing services. Paul Carter, the Tory Kent council leader, said:

> "There is only one way of bringing budgets into line. One is to employ less people and the other is to do fewer things."

In fact that is two, but I take his point. Up and down the country, local authorities are already cutting vital front-line services and shedding staff.

Andrew Bridgen (North West Leicestershire) (Con): Will the right hon. Lady give way?

Caroline Flint: No, I will not give way.

Councils are cutting not just staff in back-room functions but teaching assistants, social workers and street cleaners—hundreds of thousands of people delivering essential front-line services. There will be 140,000 of them this year alone, according to the Local Government Association, which has upped its prediction from 100,000. In Birmingham, 26,000 staff have been warned that they could lose their jobs, and in Bradford the figure is 10,000. They, along with the people who depend on the services they provide, will pay the price for the coalition Government's choices.

It is no good the Government trying to use last week's Office for Budget Responsibility forecast to obscure the heavy job losses that will be inflicted on local government. The OBR forecast shows that Whitehall Departments will lose fewer staff than had been feared, because the cuts were slightly less than had been predicted in the Budget. However, the cuts to local government are deeper and faster than had been expected, and, as a result, the LGA says that more workers, not fewer, will lose their jobs this year—40,000 more of them, all because the Government chose to impose such heavy front-loaded cuts on local councils.

Christopher Pincher: Will the right hon. Lady give way?

Caroline Flint: No, I will not.

It is unclear how local councils will meet the costs of laying off so many staff. The LGA believes that redundancy costs alone could be as high as £2 billion, but the Government's capitalisation arrangements, which were set up to help councils with the cost of cutting jobs, come to only £200 million. That could be as little as one tenth of what is needed. If councils are not given more support and more flexibility to cover the costs of redundancy payments, it will simply mean more cuts elsewhere and ever deeper cuts to vital front-line services.

Local councils cannot deliver the savings they need simply by trimming a few salaries at the top, scrapping council newspapers or encouraging councils to dip into their reserves. Local councils have a duty to find the best deal for council tax payers, which includes ensuring that councils' executives are not paid over the odds. Labour introduced more transparency in chief executive pay, and restraint is vital, particularly in the current economic climate. It is absolutely fanciful, however, to suggest that reducing a handful of executive salaries across the country will solve the problem of huge front-loaded cuts, and the Secretary of State knows it.

Harriett Baldwin (West Worcestershire) (Con): Will the right hon. Lady give way?

Caroline Flint: In a moment.

Nor is encouraging councils to dip into their reserves any sort of solution. As the Secretary of State well knows, most of the money is already earmarked for specific purposes. I had a look at the reserves in Ministers' areas compared with those of our shadow team and found that their areas have £100 million more reserves in their bank accounts than ours. Burnley, one of the areas likely to be hit hardest by cuts in funding, could lose anything between 25% and 29% of its funding over the next four years, and it has just £1.1 million in unallocated reserves. Unless the Secretary of State wants to nationalise council reserves and redistribute them to the councils hardest hit by the cuts, this is just another red herring.

Stephen Mosley (City of Chester) (Con): Will the right hon. Lady give way?

Caroline Flint: I will give way shortly—and I will give way to the hon. Member for West Worcestershire (Harriett Baldwin) shortly too, because she caught my eye as well.

Let us be in no doubt that cuts of this magnitude and imposed this quickly will hit front-line services. Roads damaged last winter will go unrepaired this year, too; potholes will go unfixed, pavements will go unswept, street lights will be turned off, youth clubs will close, libraries will shut and, at a time when more people than ever need help with social care, fewer will find their local council able to help.

Harriett Baldwin: The right hon. Lady mentioned a handful of council chief executives who make significant salaries. In fact, a total of 129 make more money than the Prime Minister.

Caroline Flint: What I said is on the record. I am not going to defend some of the pay in local government, but the Secretary of State has appointed a new permanent secretary on, I think, £170,000 a year. He had the chance to ensure that he earned less than the Prime Minister, but he refused to do so. To claim that chief executives' pay equates to the level of cuts that local government is facing is to live in fantasy land—it is ridiculous.

The poorest communities will be the hardest hit. The Government have made much of their commitment to fairness. The coalition agreement reads:

"Difficult decisions will have to be taken in the months and years ahead, but we will ensure that fairness is at the heart of those decisions so that all those most in need are protected."

Those are fine words, but the Secretary of State's own figures show that the councils worst hit over the four-year settlement include Hastings, Burnley, Blackburn with Darwen, Hull, Barrow-in-Furness and Hartlepool—all in the 10% most deprived councils in the country—along with Liverpool city council, which is the most deprived local authority in England.

Julie Hilling (Bolton West) (Lab): Does my right hon. Friend agree that it is unbelievable and wrong that children and young people in particular are facing enormous cuts? Youth services throughout the country are being destroyed, and youth workers throughout the country are getting their redundancy notices. Young people are only young once and need support and services now—it is no good their having them in the future—and they should not be paying a disproportionate cost in the cuts.

Caroline Flint: I am afraid that the coalition Government clearly do not care. On top of what they are doing to local government, they are scrapping the education maintenance allowance, which is the best chance to get

young people to stay on in education or training at 16 and possibly go on to university or other further education courses. They have scrapped the future jobs fund and the working neighbourhoods fund, much of which was directed at ensuring that young people did not leave school and enter a period of inactivity, whether out of work or training and education. They simply do not care.

Stephen Mosley: From what the right hon. Lady said, it seems that the more prudent councils have been preparing for this day for a couple of years, but many councils across the country have not been so prudent. Should she not aim her anger at councils that have been wasting money, increasing council tax and providing poor services over the past few years, rather than at Government Front Benchers, who are trying to do something about it?

Caroline Flint: Here we go again—let us bash local government and local councillors up and down the country trying to do their best, and let us tell them it is their fault. I do not think there is a local authority in the country that was preparing for this level of cuts. The suggestion is quite ridiculous.

Gordon Birtwistle (Burnley) (LD): As the MP for Burnley, which has been mentioned on numerous occasions, I would like to advise Members that the Liberal Democrat-controlled council is doing its best under the circumstances. Does the right hon. Lady remember that in the last three years of the Labour Government Burnley received a 0.5% increase in grant from national Government? The Labour Government nailed councils to the wall in their last three years by not financing them properly. It is strange that she is having a go at the coalition Government given that Labour bankrupted the country in the first place.

Caroline Flint: I would rather defend an increase, no matter how small, than defend the indefensible, as is happening here today.

Let us look at the disparities. As I have said, a number of councils, including Burnley, are facing the most devastating cuts. At the same time, a handful of district councils in the south-east, including South Cambridgeshire and West Oxfordshire—two of the least deprived areas in the country—could see not a reduction but an increase of up to 30% in their funding, as a consequence of funding that was previously ring-fenced for deprived authorities being rolled into the overall grant.

Graham Jones (Hyndburn) (Lab): I am delighted that my right hon. Friend has managed to give way. She mentioned Burnley, the neighbouring constituency to my own. Housing market renewal worth £9 million to Burnley and £8 million to Hyndburn has just been cut, and the working neighbourhoods fund, which is worth £2 million, has also been slashed. Burnley borough council has been funded in the past two or three years by enormous sums from the Government, as has Hyndburn, and I do not accept the point made by my colleague, the hon. Member for Burnley (Gordon Birtwistle).

Caroline Flint: It is always helpful to have a wider debate, and I thank my hon. Friend for that contribution.

Mr Rob Wilson: Will the right hon. Lady give way?

Caroline Flint: I have already given way to the hon. Gentleman, and I will not do so again.

How is it fair that the communities most reliant on public sector employment will lose the greatest number of jobs? How is it fair that the areas most in need will find their services most cut? How is it fair that the communities least able to shoulder the brunt of cuts to local councils will bear the heaviest burden? Yet that is exactly what will happen, as the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) let slip earlier in the year, when he said:

"Those in greatest need ultimately bear the burden of paying off the debt". [*Official Report*, 10 June 2010; Vol. 511, c. 450.]

The same is true of the Government's plans for a council tax freeze. It might sound fair, but it is not, because it gives the most to the wealthier councils with the biggest council tax yield—the councils with the broadest base of middle and high band properties—and the least to poorer councils with more modest properties. This involves money that has been top-sliced from local councils' funding, resulting in a double whammy for our poorest areas.

It is not just people who work in local government who will lose out. Hundreds of thousands of people across the country who work in the private sector—plumbers, builders, electricians, IT companies and office suppliers—depend on local council contracts. Local councils spend nearly £35 billion every year procuring services and supplies from the private sector, with more than £20 billion going to small and medium-sized businesses. Some of those firms rely on public sector contracts for 50% or 60% of their business, and if local council contracts dry up, some of them will have to lose staff and might even go out of business altogether. PricewaterhouseCoopers forecasts that for every job lost in the public sector, another will be lost in the private sector, so cuts in local government funding will hit not just those who work in local government and those who rely on its services, but the wider local economy.

What of the Government's suggestion that if local councils do less, voluntary groups will miraculously emerge and seamlessly fill the gap left by local authorities? The week before last, the Secretary of State warned the House that local councils would "rue the day" they cut funding to voluntary organisations, but what choice will they have? When nearly a third of voluntary organisations rely on funding from local authorities, and local authorities are losing nearly a third of their funding—much of it this year—voluntary groups will lose out. Local councils and voluntary groups are not adversaries—they work together and rely on each other. Voluntary groups reach parts of the community and fulfil certain roles that local councils sometimes cannot, and local councils have the resources and support at their disposal that voluntary groups do not always have. Without each other, they are both weakened.

Christopher Pincher: I am indebted to the right hon. Lady for giving way. It is nice to hear her support for the big society and voluntary groups, but she seems to have rather a selective memory. May I remind her of the BBC report published on 1 March this year, when her party was still in government? It stated that very significant

[Christopher Pincher]

cuts in local government would have to be made, whichever party was in power, to deal with the depth and scale of the recession that her Government had created. The right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) also said that there would have to be economies. With friends like those, does she need enemies?

Caroline Flint *rose*

Mr Speaker: Order. Before the right hon. Lady responds, I will make two points. First, interventions are becoming rather long and need to get shorter. Secondly, for the good conduct of the debate, I want to touch on an earlier intervention by the hon. Member for Eastbourne (Stephen Lloyd). I did not hear it clearly at the time, but reference was made to the alleged hypocrisy of another Member. Such references must not be made on the Floor of the House. Making a personal accusation of hypocrisy is disorderly. I recognise that the hon. Gentleman is a new Member, but I hope that what I have said will be helpful for the House as a whole.

Caroline Flint: Thank you, Mr Speaker. I will not hold the hon. Gentleman too harshly to account for what he said in the heat of the debate.

We must recognise that the deficit has to be reduced—and we do. *[Interruption.]* We have been very clear about that. There are choices to be made, however, about how far and how deep the cuts should be. What does the hon. Member for Tamworth (Christopher Pincher) have to say to Baroness Margaret Eaton, Tory leader of the Local Government Association, who only last week issued a press release on the "unprecedented" levels of the cuts and the impact of front-loading? It is not just Labour people talking about this—*[Interruption.]* I hear an hon. Gentleman shout "What would you do?" from a sedentary position. We would not front-load the cuts in this way for a start, and we would not have gone as deep.

Mr Watts: Is it not clear that people will judge the Government not on the cuts, but on how they are distributed. So far, what we know is that they will hit the most deprived. Is that not what it is all about?

Caroline Flint: I am afraid that there is another motivation, and it has absolutely nothing to do with the deficit. I think I am right in saying that the Office for Budget Responsibility report suggested that a surplus would start to appear in a few years' time. Given how the coalition Government like to sing from the rafters about OBR reports, it is a shame that they do not think about areas where they could use that information to minimise the damage of the cuts that local authorities face and adopt a much more thoughtful approach to their impact on the ground.

There is no doubt about it—the impact on local communities up and down the country will be harsh and, I think, undeserved. Whatever plans local authorities might like to make—working with the voluntary sector and the private sector and looking at ways to share functions and of delivering services differently are all, I think, subjects worthy of debate—they can do only so much in the time available. That time is simply not enough.

Several hon. Members *rose—*

Caroline Flint: I will give way to the hon. Member for North West Leicestershire (Andrew Bridgen), but after that I shall take no more interventions. *Hansard* will show that I have already taken more than my fair share.

Andrew Bridgen: I thank the right hon. Lady for giving way. My local council in North-West Leicestershire is already right-sizing its top management to protect essential front-line services. Is that not the way forward? She will be well aware that almost a third of Government spending is channelled through local government, so no credible deficit reduction plan can leave local government immune. Without a credible plan, and in the absence of her telling us what a Labour Government would cut instead of local government—perhaps defence, health or education—she has no credibility whatever in the debate.

Caroline Flint: I agree with the hon. Gentleman in so far as there has to be a sharing of the reductions across the different sectors of public spending, but I do not agree that the disproportionate expectations of local government are fair. I just do not think they are fair. In a less partisan arena, the hon. Gentleman might agree that even if we were to pursue the level of cuts proposed by the Government, it would be worth thinking about staggering them over the four-year period rather than expecting the largest amounts to be cut in the first year. Local authorities have been set an incredible challenge in that respect. In a more reasoned environment, most sensible people would recognise that fact and say, "Let's do something about it before the financial settlement is announced and try to put right some of the wrongs created by the package following the comprehensive spending review."

In so many ways, the motion says that the Government are not listening. Let me tell the House and the country that Labour is listening and that there is an alternative. The financial settlement is yet to be settled; there is time to put this right. Savings need to be found and, yes, cuts will need to be made in local government—but not like this: not in this way and not in this time scale.

Today, the Government have a choice. They can plough ahead with their plans and impose huge cuts on local councils, forcing them to find savings in the next few weeks—councils will have to decide their budgets by February 2011. They can impose cuts that will unnecessarily cost jobs, undermine the voluntary sector, hit front-line services and create huge uncertainty in the private sector. They can force through cuts that will hit the poorest communities the hardest, or they can choose to listen. They can listen to Members throughout the House—publicly or privately—who I know will take the opportunity here today, and in other forums, to speak about the damage that huge front-loaded cuts will cause. They can listen to the people who work in local government and provide the services on which we all rely, often with very little reward. They can listen to the voluntary sector, and to the small business community.

Will the Secretary of State ensure that any reductions in funding are more evenly spread over four years? Will he introduce more flexible capitalisation arrangements, so that local councils are not forced to make even deeper cuts in services and jobs to meet the cost of

redundancy payments? Will he introduce damping measures to stop our poorest communities being hit hardest? Those are the three questions that the Secretary of State must answer today.

I commend the motion to the House.

4.31 pm

The Secretary of State for Communities and Local Government (Mr Eric Pickles): I am most grateful to the right hon. Member for Don Valley (Caroline Flint). I could hear the gentle scribble of history being rewritten. I think that had Winston Smith been part of the process, he would have been down to his second stub of pencil by now. I would happily have walked into Room 101 just to hear the end of it.

We are really very pleased, in a way, that the motion has been tabled. We in the Department are very sensitive people, and we felt that we had done something wrong as far as the right hon. Lady was concerned. She doesn't phone, she rarely writes, she asks few questions, and she seems to be unaware that we have laid statements. We thought somehow that she was not all that interested. So we are very pleased that she is now back in action, and is taking an interest in the Department. Admittedly it seemed a weird time for her to do so, given that the settlement is just a few days away, but then it occurred to me: she has a plan.

It is all about the business of the blank piece of paper. The right hon. Lady is actually going to write something down. She is going to give us some Labour policy. We are going to be told, in this debate—*[Interruption.]* I am optimistic. We are going to be told what percentage of cuts the right hon. Lady thinks reasonable. The Local Government Association has already given us a percentage. If the right hon. Lady—who spoke for hardly any time—wants to give us a percentage that she considers reasonable for the coming year, I will happily give way to her.

Mr Watts: Will the Secretary of State give way?

Mr Pickles: I will happily give way for a trip down memory lane. What does the hon. Gentleman want to tell us about the 1980s?

Mr Watts: It is the 1960s that I want to talk about. The Secretary of State is trying to take us back to them. Can he explain why he is front-loading the cuts? Everyone knows that he is doing it because a general election is coming. [HON. MEMBERS: "What?"] Well, he knows when the election will come. Can he tell us why he is front-loading the cuts? It is a simple question.

Mr Pickles: The hon. Gentleman may be wondering why he is sitting on that side of the House. We have had a general election. His party lost and we won, which is why we are on this side of the House. As for the front-loading—*[Interruption.]*

Mr Speaker: Order. The Secretary of State is not a notably softly spoken man, but I am having considerable trouble hearing him. He says that he is a gentle and sensitive soul; that is as may be, but I can normally hear him. There is so much noise in the Chamber that I cannot hear him now, and I want him to be heard.

Mr Pickles: I am most grateful for your protection, Mr Speaker. As for the front-loading, the settlement has not been announced. Opposition Members are getting very excited about press reports, which is not a very sensible thing to do.

Mr Rob Wilson: I thank my right hon. Friend for giving way so early in what I am sure will be a brilliant speech. Does he agree that although we are very pleased to be having the debate today, it seems from the number of Labour Back Benchers who have turned up that they are not very pleased at all?

Mr Pickles: There is a point in that, but I have to say to my hon. Friend that we must give all the encouragement we can to the right hon. Lady the shadow Communities Secretary because it is very important that we have an Opposition and if we do so, she might table the occasional parliamentary question, in which case we would have an opportunity to come to the—

Hazel Blears: Will the right hon. Gentleman give way?

Mr Pickles: Of course. I am reminded of "Life on Mars".

Hazel Blears: The right hon. Gentleman appears to be floundering a little at the start of his contribution, and I wonder whether I might, in a constructive spirit, offer him a small lifeline. My right hon. Friend the shadow Communities Secretary has made a powerful case against the front-loading of these cuts. As I understand it, there is a surplus of about £3.4 billion in the national non-domestic rate pool, and the leader of my council in Salford, Councillor John Merry, has written to the Secretary of State suggesting an ingenious way of smoothing out the front-loading of these cuts. If we were to put the £3.4 billion back into the formula grant, that would enable us to reduce some of the devastating impact of that first year of cuts, certainly on Salford council, which is facing cuts of £40 million. If the right hon. Gentleman accepts my lifeline I will be very happy.

Mr Pickles: I am most grateful to the right hon. Lady for that, and, to start on a positive note, may I say that the entire Front-Bench team likes her new hairstyle?

There is not a £3.5 billion surplus in non-domestic rates in the year coming. There is a potential £2 billion surplus in 2013-14. It is hoped that the new system of local government finance, which I will be making some reference to in the statement, will be in the process of being brought in, so it is theoretical at this stage.

Caroline Flint: The right hon. Gentleman teased the House a few seconds ago when he told us to wait and see what the financial settlement provides. Local council leaders have been pressing him to give some hint on, and recognition of, the problem of front-loading and whether that can be looked at. Can he not give some steer that the Government have listened to some of those concerns, because at present they are planning for huge cuts, based on what they expect to have to deliver come April 2011-12?

Mr Pickles: May I reassure the right hon. Lady both that we will be making a statement to the House, unlike

[Mr Pickles]

last year when the statement was relegated to a written ministerial statement, and that we are going to ensure that the distribution is fair?

Hazel Blears: Will the right hon. Gentleman give way?

Mr Pickles: I want to make some progress first, but I will give way to the right hon. Lady in due course.

It is reasonable for us to have expected to hear in the speech of the right hon. Member for Don Valley how much she would cut from the budget. What percentage reduction does she want from each tier of local government? If she does not like the phasing, which other Department should be cut more next April?

The Opposition have simply lost touch with financial reality. They have got their head in the sand in respect of the urgent need to tackle the nation's record overdraft and the slide towards a national debt of over £1 trillion. We need to reduce the deficit to keep long-term interest rates down, thereby directly helping families and businesses through the lower cost of loans and mortgages. By reducing spending and restoring the nation's fiscal credibility, we avoid the massive debt interest bills—over £42 billion a year—which is sucking taxpayers' money from front-line services.

We had a choice in the most recent spending review: we could face up to the legacy left by Labour—the crippling public debt, the black hole in the nation's finances—or we could simply let Britain fall into the economic abyss. Looking around Europe, the situation that some of our neighbours continue to face reminds us just how dire the challenges remain.

Mr Marsden: Will the right hon. Gentleman give way?

Mr Pickles: In a moment.

The financial mess that the coalition has inherited is not just because of big banks; it is because of the irresponsible behaviour of big Government.

Simon Hughes: I sincerely hope that all Members, on both sides of the House, realise that local government must do its share of reducing expenditure to deal with the public debt and deficit that we inherited. Will the Secretary of State give me one explanation and one assurance? Will he explain why the comprehensive spending review's four-year plan set out a greater reduction in the budget in years 1 and 2 than in year 3? Will he reassure me that, as I think Ministers have heard when we have come to see him in the Department, the whole of this year's funding settlement for local government is being taken into account when the assessment of the reduction is made, not just the direct core funding provided by the grant from central Government?

Mr Pickles: My hon. Friend raises a very important point. The rules are different when sums are being reduced, rather than increased, so it is massively important that we examine all the finance available to local authorities and the gap in spending. I am going to address that most carefully, as I shall do for the precise phasing of the amounts. It is sensible to see these sums taken out at the beginning of the period, because the only way in which local government can approach a 26% reduction is not to salami-slice here and there, but to restructure, share services and the like. If it is going to do that, it had best get on with it.

Mr George Howarth (Knowsley) (Lab): On phasing, will the Secretary of State accept that it is hugely important for boroughs such as Knowsley that the process of damping stays in place? If it does not, incredible swings will take place within a year—even greater than those he is proposing.

Mr Pickles: The right hon. Gentleman is absolutely right. Hon. Members may not be aware that some authorities, such as Knowsley's, are heavily dependent on grant; if I recall it correctly, the percentage is in the upper 70s—

Mr George Howarth *indicated assent.*

Mr Pickles: It appears that that is correct. There are other places, such as Surrey, where we are talking about 20%. If we were dealing with a cut across the board, the effect of an amount coming out of Knowsley's budget would be considerably greater than if it came out of Surrey's. That would not be desirable and we will be putting together a system that offers help.

Despite all the bluster and all the complaint, the Opposition would have made some of the same choices had they clung on to office. Perhaps Opposition Members would not like to be reminded that the Labour Government were quietly planning cuts of £52 billion over the next four years. The Treasury's own figures show that those were front-loaded cuts, with a hit of £14 billion to fall in 2011-12. A small amount of those cuts were made public in the dying days of the previous Administration. The back of a fag packet small print of the March 2010 Budget reveals £480 million of cuts. Those were cuts to regional development agency regeneration, cuts to the working neighbourhoods fund, cuts to the local enterprise growth initiative, cuts to the housing and planning delivery grant, cuts to smaller Department for Communities and Local Government programmes and cuts to time-limited community programmes.

Let us deal directly with the issue of the working neighbourhoods fund. Whether the right hon. Member for Don Valley likes it or not, it was a three-year figure; the programme was coming to the end in March and no money was provided for it to be extended thereafter. We would have been facing precisely the same problem as we are now. Some Members have complained about the end of the working neighbourhoods fund, but we would have been facing this in March.

Stephen Lloyd *rose—*

Mr Pickles: As was rightly said by my hon. Friend, to whom I shall give way in a moment, the current Labour leader made it very clear during the election that regeneration spending

"is not the biggest priority we face as we look at other competing priorities",

and the then Prime Minister said:

"Housing is essentially a private sector activity…I don't see a need for us to continue with such"

renovation programmes.

Stephen Lloyd: In the past 12 months, Eastbourne borough council restructured its senior management, producing a more dynamic and customer-focused team, while cutting the cost of its senior team by £300,000 a year. Does the Secretary of State agree that other local authorities can follow the example of Eastbourne borough council, saving money for the taxpayer and bringing local authority executive pay under control, which was something that Labour singularly failed to do?

Mr Pickles: My hon. Friend is right. There is increasingly a trend towards reducing backroom services and I welcome the support from the right hon. Member for Don Valley. Perhaps the clearest message that should go out from the Chamber today is that there is broad consensus on the sharing of services and it would be a very wise chief executive and leader of a council who continued with that process.

Of course, part of the problem is that the so-called operational savings that the Labour party promised were simply not met. When I opened the Department's books, I noticed that almost £1 billion of planned efficiency savings promised by the Department and announced in the 2007 spending review and the 2009 Budget were never delivered by Labour Ministers.

We know that Labour had secret plans for cuts for local communities, but it did not have a route map to get there through constructive reform. The Labour Government had 13 years to improve the system of local government funding but they fluffed it. They introduced 19 different Acts that affected local government finance. They scrapped capping, then they reintroduced it. They gave pensioners an extra payment for their council tax, then they dropped it. They passed a law to hold a council tax revaluation, and then passed a law to delay it. They published a local government finance Green Paper, then a White Paper, then they held a balance of funding review, and then they held the Lyons inquiry review. They then extended the Lyons inquiry review and when the Lyons inquiry reported, they did not even bother to issue a formal response.

In the 2010 Labour manifesto, we were promised a cross-party commission on local government finance. Perhaps Labour just ran out of ideas and wanted to ask us. The final Labour initiative, with the third leader in three years, is the famous blank piece of paper. No wonder the shadow Housing Minister, the hon. Member for Plymouth, Moor View (Alison Seabeck), has admitted

"we won't rush into policy making"

[Interruption.] I am glad she has confirmed that. Perhaps they are waiting for the next Labour leader. I suspect that that will not be long now—like with buses, one waits around for ages and three come along pretty quickly.

Mr Watts: Will the Secretary of State give way?

Mr Pickles: I am sorry, but if I wanted to visit the 1980s I would watch an episode of "Life on Mars".

I welcome the opportunity to lay to rest some of the reckless scaremongering that the Labour party has peddled in recent weeks, and particularly in the past few moments. We are a few days away from the settlement and it is important that we do not create a climate in which wacky, fictitious figures end up scaring people unnecessarily without adding anything to the debate.

Andrew Bridgen: Does the Secretary of State remember the words of the previous Chancellor of the Exchequer, the right hon. Member for Edinburgh South West (Mr Darling)? Before the last general election, he said that if the Labour Government were re-elected, this country faced the biggest cuts in its history. My right hon. Friend might have noticed that that statement has not been repeated by those on the Opposition Front Bench.

Mr Pickles: I do indeed. From what I can understand from what the right hon. Member for Don Valley was saying, it seems that she is in favour of cuts but not specific cuts. She is in favour of financial prudence, but not if it involves cuts to local authority spending.

The key argument about the forthcoming grant reductions is that the right hon. Lady seems to think that they will be unfair. How she can assert that when she does not know what the settlement will be is a mystery to us all. Opposition Front Benchers point to briefing figures from the pressure group SIGOMA—special interest group of municipal authorities—without realising that they are being played. SIGOMA understandably wants to paint a dire picture for its members as part of a lobbying exercise ahead of the settlement. It is playing metropolitan areas off against shire counties.

Mr Marsden: The Secretary of State asks why these points are being raised by the Opposition, but he and his colleagues have a record on this issue. The figures and cuts that the Government Front-Bench team produced in June, with the abolition of area-based grants and various other measures, disproportionately hit the parts of the country that we have been talking about.

Mr Pickles: The hon. Gentleman is well aware that in the emergency Budget we had to prevent money that had not been paid out from being paid—it is difficult to take money from areas that have not received any at all. He seems to think that we live in a vacuum. Has he seen what has gone on in other parts of the continent and the problems that other Governments face? Had we not taken these decisions we could have found ourselves in precisely the same position.

Robert Halfon: Would not councils have had a lot more money in recent years if they had not had to spend millions on ridiculous inspection regimes?

Mr Pickles: My hon. Friend is absolutely right. As part of the deal in which local government will have less money and more power, we will reduce the number of unnecessary regimes.

Hazel Blears: I am glad that the right hon. Gentleman has got back to reality regarding what, if anything, can be done to mitigate the impact of the cuts on some of the poorest communities. I put to him again the issue of national non-domestic rates. He said that there would not be a surplus until 2012-13.

Mr Pickles: No—2013-14.

Hazel Blears: Well, the Office for Budget Responsibility's forecast in the Treasury's June Budget report indicated that there is likely to be a surplus of £3.4 billion. If that is the case, will the right hon. Gentleman agree now to

[Hazel Blears]

redistribute the whole of any surplus there might be, as the legislation covering this area provides that any such surplus will be redistributed? That is something practical that he could do to mitigate the effects on the poorest communities.

Mr Pickles: I always enjoyed it when the right hon. Lady occupied my role, so I am sorry to tell her that this is not like a deficit; we have to pay down the debt in relation to non-domestic rates, so the money that she suggests will be available will not be available for what she suggests. In case she thinks I am just making a rhetorical point, I am willing to write to her, copying in the right hon. Member for Don Valley, explaining this issue. If £5.5 billion were suddenly available, I think I might have used it by now.

The points that SIGOMA makes could be made by the county councils network, the district councils network, the SPARSE Rural group and my dear chums at the London councils. They could produce similar figures on how the funding system seems to channel more money to certain areas. Before Labour jumps on these bandwagons, it needs to realise that it cannot play the mets against the shires and then campaign honestly at the May district council elections.

Mr Watts *rose—*

Mr Pickles: We will listen to all representations. We are moving to meet the points made by the Local Government Association and other interested parties. We intend to deliver a fair and sustainable settlement that protects the most vulnerable communities and spreads the impact in a manageable way.

Mr Watts: Will the Secretary of State give way?

Mr Pickles: Of course—I cannot stand it for another moment.

Mr Watts: I thank the Secretary of State for giving way. Will he give an undertaking to the House today that any changes in the grant system will be based on academic evidence that takes deprivation into account, or is he intending to fix it as he has in the past?

Mr Pickles: The hon. Gentleman seems to have left the 1980s for the 1970s and "Jim'll Fix It". There is no intention to fix this or to hit vulnerable communities the hardest. We will be doing our best and I hope that the hon. Gentleman will be ready to praise me next week when we produce our proposals. Frankly, he should take with a pinch of salt some of the more alarmist predictions of jobs cuts that have been fed to the media by the unions and others. Such dossiers are based on looking at local media and projecting them out. We see unions being upset by stories that unions themselves have placed.

Reducing the number of posts is not the same as job cuts, as staffing can be reduced through natural wastage and freezing. The unions have intentionally misled on the issuing of section 188 notices, which allow the terms and conditions of workers to be changed to save money. The GMB has claimed that 26,000 staff in Birmingham face "the threat of redundancy". Indeed, that would be a shocking figure—26,000 workers faced with redundancy. In fact, the process seeks to reform car allowances and staff parking, and is nothing more than that. It is designed to reduce the scope for redundancies. Even Leon Trotsky at his worst would not have taken to the streets over car parking. Such reforms reduce the scope for redundancies and do not increase them.

Sir Alan Beith: Speaking of redundancies, my right hon. Friend has some discretion over the limited amount of money that he has to allow capitalisation of redundancies in those authorities that have low reserves. I ask him to look carefully at Northumberland, whose reserves were low because of a forced reorganisation under the previous Government, and there is a very heavy claim on the county council at present because of the incredible snowfalls that we have had in Northumberland.

Mr Pickles: My right hon. Friend makes a good point. We warned about the effects of the various reorganisations, and stopped those intended for Norfolk and for Devon. Where money is tight, we cannot afford to waste it on a reorganisation of local government.

I am actively reviewing the amount available for recapitalisation. Clearly, there will be tough choices. The sharing of services and back-office consolidation will reduce the number of staff posts needed over time. The priority of local government is not to be a municipal job creation scheme, but rather to provide quality front-line services, keep local taxes down, and provide a positive environment for private sector job creation and the expansion of local business.

Mrs Mary Glindon (North Tyneside) (Lab): Will the right hon. Gentleman comment on Pricewaterhouse-Cooper's statement that for every public sector job lost, a private sector job will be lost too?

Mr Pickles: I do not believe the figures. If that is the case, we are beyond economic ruin, because our country has reached a point where we can no longer afford to level off spending. If the hon. Lady would like the United Kingdom to enter the world of Greece and our friends in Ireland—*[Interruption.]* Let us be fair. What is the biggest problem? Sovereign debt. Which country has the largest sovereign debt? Had my right hon. Friend the Chancellor not taken those brave decisions in the emergency Budget and in the spending review, and if we did not take those brave decisions to their logical conclusion, we would have been in the danger zone. We all know where the Opposition would have been—they would have been running for cover.

Nic Dakin (Scunthorpe) (Lab): I am interested in the Secretary of State's references to Trotsky and other people, but how many local government workers does he expect to see made redundant at the end of this year on the basis of his policies?

Mr Pickles: That is just a typical Labour intervention. It is not about the economy; it is all about getting as many bleeding stumps as possible. What we do know, through research, is that despite the various daft claims made about the number of people being made redundant in Birmingham, for example, the majority are going by way of natural wastage, turnover, mutuals and co-operatives being set up—something that Trotsky would have approved

of—voluntary redundancies and early retirement. When it comes down to it, the likelihood is that the number of compulsory redundancies will be less than 4%. Frankly, these things can be managed with a will, and it is our intention that councils will manage them sensibly.

Owing to Labour's planned cuts and the dire state of the public finances, the vast majority of councils have seen these difficult and challenging times coming, and they have been making sensible, constructive plans to address them. I want to support them with action, not meaningless words. I can make councillors' and councils' jobs a lot easier by scrapping regulations, tearing up unnecessary guidance and cutting through red tape. The Government are restoring real democratic accountability to local government, giving the power, the freedom and the authority to those who actually make the decisions. We have to be realistic. We realise that there is less money, but unlike the former Government, I do not intend to tell councils how they should spend it. The money given in this settlement will not come with strings attached. As we said during the spending review, with very few exceptions we have ended the ring-fencing of grants, so that councils can decide for themselves how their money should be prioritised and spent.

Under the spending review, we will allow councils to borrow against future business rates. We are also introducing powerful new financial incentives for councils, such as the new homes bonus. In addition, there is the £20 million through capitalisation, referred to by my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith). Councils can top that up with the sensible use of their £10 billion of reserves—they were prudent and repaired the roof when the sun was shining, unlike Labour, and they can now spend that money when it is rainy. There are a whole range of measures that proactive councils can take—for example, improving transparency, sharing services, cutting out waste, improving procurement practice and bringing senior pay under control.

Joan Ruddock: May I tell the Secretary of State that my council of Lewisham has done all the things that he has just mentioned? Over the past five years, it has saved £40 million through efficiency savings. He made the point about jobs. Let me tell him that the council has just taken a decision to cut £16 million from the budget. That would cost 300 jobs, but only 50% of them could be found through natural wastage. However, the council tells me that front-loading means that it will not be able to plan to get down even to that level, let alone the 4% that the Secretary of State has just spoken about.

Mr Pickles: The right hon. Lady's council has just £1 million short of £60 million in reserve. The decision that has been taken is its own, and I would urge it now to look at other measures. I would urge the council to look towards a joint—*[Interruption.]* It might not be for the right hon. Lady—I know she lives a champagne lifestyle—but £60 million is a lot of money. Let the council look towards sharing a chief executive, or sharing an education authority or planning authority. Let it look at working together right across back-office services.

At the heart of the settlement, we want to ensure the protection of hard-working families and pensioners; support for vulnerable individuals; help for vulnerable communities; and fairness, for both north and south, and rural and urban England. Practical policies to protect the vulnerable include: £1 billion in extra grant for social care and a further £1 billion from the NHS; a new role for councils in public health, backed up with extra funding; £2 billion for decent homes, improving the quality of life for those in poor-quality housing; and £6.5 billion to support people and allow the vulnerable to lead independent lives. Labour talks about fairness, but when it was in government council tax more than doubled—in some years, above inflation—thanks to fiddled funding and unfunded burdens.

Caroline Flint: The right hon. Gentleman mentions funding for public health, which is estimated to represent at least 4% of the NHS budget. Will that move across to local government?

Mr Pickles: The right hon. Lady is playing a game whereby if money moves from the health service it represents a cut in the health service, but if it moves to local authorities it fills a hole. Conservative Members have been saying for years that there is a role for councils in public health, and we are backing that. I recall, at the Opposition Dispatch Box, asking the then Government for the kind of financial commitments that we are currently giving to deal with adult social care. Frankly, the right hon. Lady should be thanking us—*[Interruption.]* Well, I'm glad you're supporting it. Just get behind the programme then, dear. That'd be marvellous.

Working families, pensioners and, indeed, the squeezed middle were hit the hardest. The hikes were equivalent to 3.5p on income tax, and the Labour Government were planning further local tax rises, as their local government manifesto for a fourth term revealed: removing the retail prices index cap on business rates, hammering local high streets; a council tax revaluation and rebanding, hitting cash-poor pensioners; and new taxes to empty bins, punishing struggling families. Labour's answer to every policy problem was an extra rise in tax or more red tape. But, in six months, the new Government have scrapped Labour's bin taxes, called off the council tax revaluation, increased small business rate relief and found £650 million a year of funding in each of the next four years to help to freeze council tax next year. Let me make it clear: that is completely new money; it is not top-sliced.

I intend this settlement to be the last ever to rely on such a complex and outdated system, which is not fit for purpose. It has trapped too many councils, making them financially dependent on central Government, and there is no incentive for them to invest in their local economy, given that the proceeds simply vanish to central Government to share out nationally. It makes planning difficult, weakens local accountability and stifles local innovation. It is part of the same trend that has led to some areas of the country becoming almost completely dependent on the public sector.

All that will become clearer when I present the full settlement to the House, but let me reassure Members that I and my ministerial team are doing everything possible to ensure that local government has a fair and sustainable settlement, to the good of the country and to the good of local communities.

5.8 pm

Andrew Gwynne (Denton and Reddish) (Lab): May I take this opportunity to thank you, Mr Deputy Speaker, for allowing me to speak in this important Opposition day debate? I am pleased to follow the Secretary of State, who, in his calm Yorkshire way, said not a lot. What he did say, however, will send a chill through communities in my constituency.

The Conservative-Liberal Democrat Government's cuts will clearly have an effect on all constituencies, but I believe they will impact more unfairly on areas with additional social need, such as my constituency in Greater Manchester. I benefit from representing a constituency that covers two very different local authorities, Stockport and Tameside metropolitan boroughs, and, although both authorities plan major reductions in spending in the years ahead, I fear that the cuts will impact particularly on Tameside, which has been ranked as an area of high deprivation and the 56th most deprived local authority area in England.

People in Tameside earn lower incomes than the national average, and in their time of need they might find themselves calling on council services, just when the council is least able to assist them because the massive reduction in its overall budgets will impact on those crucial services. To be fair, it is a similar story with the two Reddish wards in the Stockport part of my constituency. Although those wards are located in a much more prosperous borough overall, they are also areas of very high social need.

Duncan Hames (Chippenham) (LD): The hon. Gentleman makes a very interesting point about how poverty can be localised much more than on the basis of local authority area. Does he accept that that is a shortcoming of local government finance in the past? The assumption has been that an area is either poor across the whole of the local authority or not at all?

Andrew Gwynne: For the past 13 years of the Labour Government, Stockport received additional money because of those deprived Stockport wards. It is a shame that the Liberal Democrat council chose not to spend the money in Reddish and in those wards.

It is true that we are facing one of the worst rounds of spending contraction ever experienced. That is likely to have a massive impact on every part of our public services, not just local government. However, we should not forget that local government provides, or co-ordinates, the delivery of some of the most valued public services—from children's services to adult social care, from leisure, parks and libraries to schools and from fixing roads and pavements to public transport and refuse collection.

I am concerned about how the cuts are being implemented and their unfairness to more socially deprived areas. My constituents in Tameside and Stockport accept that there needs to be a reduction in public spending and that local government must play its part, but it is certainly difficult to see any fairness—as was promised in the comprehensive spending review—in the fact that some councils in the most deprived areas will have reductions in their budgets next year of, as has been suggested, up to 25%, 30% or more, whereas other councils—many in the south—will feel the impact of those reductions far less.

Research from SIGOMA, a group of 44 metropolitan and unitary authorities outside London—I know the Secretary of State's view on that grouping—demonstrates that the councils that expect to be worst hit by the CSR are in the 20% most deprived areas. Clearly we know that the cuts will hit places such as Denton and Reddish very hard indeed.

Tameside council is planning for a total funding reduction of around £100 million over the next four years—a massive amount for one fairly small metropolitan borough to lose. We also know the cuts are being front-loaded, so Tameside council will need to save more than £37 million next year. It must save more in one year than it has saved over the past seven, despite making extremely tough choices to meet its Gershon savings. There is very little meat left on the bone. These cuts will hurt our services. Ultimately, the proposed cuts will mean a reduction in Tameside council's work force of about 800 over the next four years.

Gavin Barwell (Croydon Central) (Con): The hon. Gentleman is speaking up for his constituents, and he is to be applauded for that. He says that there is very little meat left on the bone in Tameside. What will he say to my constituents when they realise that under the previous Labour Government Tameside received a real-terms increase over the past five years, whereas Croydon received a real-terms cut of 3%?

Andrew Gwynne: I am not sure that those figures are correct. However, if that is what the hon. Gentleman says, people in Croydon should vote Labour. When combined with the new year rise in VAT, it is clear these cuts and the impact they will have on public services mean that those people with the least—especially the elderly and most vulnerable—will pay more and lose the most.

I have had sight of recent research showing the overall impact of the Government's spending plans on local authorities, including Tameside. It calculates that from 2014-15, as my constituents make their contribution to the Government's deficit reduction, Tameside's economy will lose £50 million a year. It also shows that residents of working age will, on average, contribute £39.79 per person compared with the Chancellor's constituency of Tatton, where residents will contribute only £22.62 per head, or those living in Kensington and Chelsea, who will contribute just £5.91 per head.

George Hollingbery (Meon Valley) (Con): I congratulate the hon. Gentleman on defending the constituents whom he so ably represents. He can, of course, cherry-pick statistics as he wishes, but I should like to let him know what is happening in part of my constituency. East Hampshire district council—the provenance of these statistics, incidentally, is the council itself, and they are historical—has seen a 25% real-terms reduction in the grant from central Government over the past 10 years. Does he think that that is fair?

Andrew Gwynne: Of course, the hon. Gentleman makes the case for his area, but I would say that areas such as Tameside, which I represent, do not have the capacity to raise the money locally, so they suffer disproportionately when central Government grants are cut in the way proposed by this Government.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab) *rose*—

Andrew Bingham (High Peak) (Con) *rose*—

Andrew Gwynne: I will not give way—I want to make some progress.

It is a similar story when we look at the changes to long-term sickness benefit, which is being cut by £2 billion a year. Tameside will lose £11 million a year: £85.14 per head of the working age population, compared with £45.18 for Tatton or £13.18 for Kensington and Chelsea. This is hugely unfair, and it clearly illustrates who is bearing the brunt of the spending reductions.

Let me turn to how the Stockport part of my constituency will be affected. The Liberal Democrats who run Stockport council are being very evasive—to put it politely. We know that they have to make about £20 million of cuts next year, but so far they have announced only £15 million—they will not yet say where the other £5 million will come from. That uncertainty is chronically unfair on their dedicated and hard-working work force. I find it ironic that the Liberal Democrats tabled one council motion after another condemning Labour's grant settlements—real-terms increases, year on year, on a frequent basis. Since their Government announced cuts, there has been not a single peep from any of their councillors. Nobody likes to be unpopular, least of all the Liberal Democrats, who have become past masters at blaming somebody else, but they are not being straight with the people of Stockport about where the axe will fall and what the impact will be on front-line services. Instead, they are using convenient managerial phrases such as "service redesign", "restructure" and "reprioritise" when they really mean cuts.

Cuts on this scale mean big job losses. Only last week, Stockport council announced 250 job losses, which will mean unprecedented reductions in services that will be felt in every corner of our community—although given the previous form of Stockport Liberal Democrats, no doubt many of the cuts will hit the Reddish wards in my constituency hardest.

There is suspicion about where the axe will fall next. It is alleged, for example, that all the youth centres will be closed, including the one in Reddish, which does an invaluable job in keeping young people engaged with their education and away from trouble. This is a wider problem within the coalition Government and their ill thought-out plans regarding local government finance. How can they possibly create the so-called big society when the voluntary sector, which will be fundamental to it, will face such substantial reductions in its core funding as these local government cuts start to bite hard? Of course, as we heard earlier, many workers in the public and voluntary sectors are women who work in the heart of our communities as teaching assistants, care assistants, school crossing patrollers and dinner ladies. It is truly hypocritical of the coalition Government to talk about the big society, and then to attack ordinary people working in their local communities in a range of important jobs.

It is perhaps not sufficiently understood that many jobs in the private sector are dependent on local government and public sector funding. Demand will be taken out of the local economy, so many retail and service companies will suffer. Tameside pioneered a scheme called Tameside Works First that prioritised the granting of smaller contracts to local companies to assist them through the downturn, helping local companies such as Denton-based Anvil Masters, which provided new park railings for Granada park in the town. Tameside should be lauded for pioneering such a scheme. However, the cuts will have a ripple effect in the private sector in my constituency and in every constituency.

Finally, the poorest, those who are most at risk and those who are most in need in our communities will be affected heavily by the cuts to council services. Some of the same people will be affected by the cuts to housing benefit. Recent research has shown that about 3,700 people in Tameside and 3,600 people in Stockport will lose out because of the proposed changes to housing benefit, some by as much as £42 a week. We should not forget that since the economic downturn, some households will have lost a wage and some people will have moved to lower paid jobs. That means that there are now even more low-paid families and that even more help is needed from local council services, at a time when councils are least able to help.

There is an emerging pattern across the country of who will be affected the most by local government cuts and the changes to the way in which central Government funds are handed out to councils: poorer areas in cities and metropolitan boroughs will face the brunt. The Labour Government had a strong record of increasing funding for local authorities in such areas, and of using those authorities to deliver national priorities by harnessing the best locally. Worse still, it is clear to all Labour Members that the Government have taken no account of how areas such as Denton and Reddish will fare with the massive reductions in spending. Sadly, we face a bleak future with trepidation.

5.21 pm

Sheryll Murray (South East Cornwall) (Con): Thank you, Mr Deputy Speaker, for allowing me to catch your eye in this important debate.

Having served as a local councillor for a number of years before coming to this place, I praise the Secretary of State for deciding to free local councils from the chains of red tape that stifled local government throughout the years of the Labour Administration. In the current economic climate, there is no doubt that there will be pain and that it will apply to local government as much as to any other area.

Last Friday, my local council in Cornwall adopted an emergency budget and took the early initiative to consider where savings might be made before the settlement announcement. It is predicted that the cost of delaying that decision would have been £55,000 a day. Sadly, opposition parties in Cornwall were promoting further meetings and the delaying of decisions. Ten days of delay would have cost £500,000 and twenty days of delay would have cost £1 million. Opposition parties seem to be engaging in delaying tactics just for the sake of it.

I ask the Secretary of State to note that, on the creation of the new unitary council, the authority inherited a significant number of reserves that were held for specific reasons. Most came with a variety of commitments against them and, as such, remained untouched last year, although there was a minor review through which

[Sheryll Murray]

some reserves were swept up corporately. A new strategy has been introduced, the main theme of which is to reduce radically the number of reserves that are held; to manage all capital reserves centrally as part of the corporate approach to capital financing; to create one budget equalisation reserve per directorate to allow minor budget variations to be funded without recourse to the corporate centre; and to ensure that the authority's general reserve is sufficient.

The council acknowledges the need to consider alternative models of service delivery, including trusts, joint ventures and arm's length management organisations, some of which involve services being delivered in partnership with the private sector.

Justin Tomlinson (North Swindon) (Con): On the sharing of services and facilities, does my hon. Friend agree that we must work across service areas with neighbouring authorities and external organisations to deliver value for money and to drive up standards?

Sheryll Murray: Absolutely. I wholeheartedly agree with my hon. Friend.

The arm's length companies will remain under the direct control of the council, but will free up trade with partners and trade outside our borders to bring more business into Cornwall. An example of that shared service is that back-office corporate support functions will be brought together in a single organisation alongside the council's customer-facing front desk. That new organisation, although council controlled, will be able to sell its services to other partners within and outside Cornwall, generating more investment in our local economy. That will not only safeguard jobs in Cornwall but give the council a vehicle to create new employment opportunities; integrating those services will alone generate £2.7 million of savings.

Other ways of working include outsourcing, which is where organisational functions that could be delivered by in-house teams are contracted out to external organisations. The council has no intention of widespread outsourcing, but it will explore that option where it makes sense and delivers the best solution for local taxpayers.

Social enterprise is another likely model for service delivery, particularly in relation to the integration of health and social care services. Developing new models of service delivery is a radical shift, and the council has said that it will explore the details further in a series of business cases. It has said that it has a major role to play in decisions on how local health services will operate in future. It is keen to benefit from joint commissioning of care services and take the lead through its statutory role in health and well-being. Adult care services could be integrated into health services and new social enterprises, and public health services will become part of the council. The council will offer to provide a joined-up support service for GP consortiums, and there will be an integrated children's service led by the council.

In Cornwall, the council has been talking about public sector reform for some time. It is resourceful and pragmatic, and it can deliver the big society.

5.27 pm

Mrs Mary Glindon (North Tyneside) (Lab): The Secretary of State recently said that councils should use the cuts as an

"opportunity to completely rethink everything they are doing, creating a modern, flexible and innovative council."

I was a councillor for 15 years in North Tyneside, and that is nothing new to me. The big society and localism are just about reinventing the wheel, because many of us who were local councillors in the past know how hard councillors work and how much they have done to use their budgets wisely.

During my 15 years as a councillor I saw many changes. At first, I was a councillor under the former Tory Government, and when Labour took power in 1997, it was good to see changes such as how we were able to bring houses up to the decent homes standard over 10 years, and to see our neglected schools change, becoming new or refurbished buildings and providing fantastic places in which to educate our children. There was Sure Start, and in my borough there were new swimming pools. We were also able to put in place the "Fuel for kids" scheme, giving children a free breakfast at the start of the school day. For many children, that made a difference to their learning ability, and there is empirical evidence to prove that.

We were able to do many of those things when we moved to a mayoral system and had a progressive Labour mayor, who followed two years of a Tory mayor. Under the Tories many services were cut, and in fact the voluntary sector service in which I worked was closed. When we got our progressive Labour mayor, John Harrison, all the things that I have referred to flourished.

Just over a year ago, the previous Tory mayor was re-elected, and, as he has mentioned in the House, she happens to be a favourite of the Secretary of State. That Tory mayor, when leader of the council opposition, wrote to the then Housing Minister and asked him to withdraw £100 million of credits that were to be given to the Labour council to build older people's homes for the future—she simply did not want that done. Since taking office, she has drastically reduced that project, which means we will see not new, fantastic, refurbished properties, but old houses simply remodelled not to the standard people wanted. She has also prevented 800 new council houses from being built with money that would have come from the former Labour Government, because she did not want it to happen in her end of the borough.

It is interesting to see how, until tonight, the mayor has fought against so much that Labour put in place and praised the new Government. The mayor I am talking about is Mayor Arkley, and tonight, in North Tyneside's section of the *Newcastle Evening Chronicle*, she is pleading with her Government to have a change of heart. She has urged Treasury and other Ministers

"to think again about the speed of the cuts".

Tom Blenkinsop: It is not just in Tyneside and the north-east where Conservatives are vocally opposing the Government's measures; it is also in Teesside, where the Conservative leader of Stockton council, Ken Lupton, has said that the Con-Dem Government's position on the cuts is wrong. Also, Mayor Mallon from Middlesbrough—an independent, and not necessarily a loving friend of the Labour party—has said that the Conservative party and Liberal Democrats have declared war on the north.

Mrs Glindon: My hon. Friend is right. It is good to see those people waking up to the realities of these deep cuts.

On this occasion, I would like to join our Tory mayor in pleading with the Government. She said:

"At a recent meeting with an official from HM Treasury, I have requested officials to reconsider this issue and spread the reductions more evenly over the four-year period of the Spending Review and to allow additional freedoms to local authorities to capitalise redundancy and equal payments to enable more effective planning to take place for workforce changes".

I ask that Ministers listen not just to the Opposition, but to their own party members, who are trying to deliver a service and believe that the cuts are too deep, too soon.

5.33 pm

Heather Wheeler (South Derbyshire) (Con): I declare an interest, because I am still a councillor on South Derbyshire district council and am married to the new council leader. I was leader myself for three years, and was previously a councillor there for 15 years—it seems to be a popular choice. Prior to that, for four years, I was a councillor on Wandsworth council. My antecedents in local government are strong and long. I have an abiding love for it.

I am appalled at tonight's debate. It is astonishing that yet again we have hour after hour of prime television in which all the Labour lot do is scaremonger—it is hour in, hour out. There is no substance to what they say, because of the appalling way Labour councils have run areas year after year. They have never considered value for money for their taxpayers.

Tom Blenkinsop: By the sound of it, the hon. Lady has a great record in local government in South Derbyshire, so she will be aware of the Gershon savings over the past five years, under which 3% to 5% of council tax spending was looked at in terms of savings across the board. In my area, that has led to significant savings over the past five years.

Heather Wheeler: Of course, I know about the Gershon savings. I also remember the squeals about it and the synthetic savings that were made. The opportunity was not taken to look root and branch at what local councils need to do and should do, at the way they should do it and at the value for money they provide for their residents. It is hugely important that people take an innovative look at the way in which local councils work, and that they take this opportunity. The whole country is in a financial crisis, and nobody should be in position where they do not have to take their percentage of it. That would be completely wrong.

The new coalition Government are going to look at the floors and ceilings, the caps, the huge amount of ridiculous comprehensive area assessment-type targets, and the millions of pounds that all our councils have had to spend on this sort of thing. This coalition Government are about freeing people up to organise themselves in such a way that they provide the vital services that their people want at the same time as having the guts to say, "We don't want to do that any more. We'll have a referendum on it. Do you agree with us?" In our council in South Derbyshire, 1% on the rates raises £50,000. Given the floors and ceilings that I have had to put up with for the past 13 years of the Labour Government, we have easily lost £2 million there. The same goes for the fire authority in Derbyshire, and the police authority as well.

Mr Watts: May I inform the hon. Lady that those floors were introduced to protect her local authority? Local authorities such as St Helens should have received a far bigger grant allocation every year, but we did not put right what the previous Tory Government had done, which was to take money from the most deprived parts of the community and give it to the most affluent parts.

Heather Wheeler: That is a really interesting point. All I know is that I have lost £2 million in South Derbyshire. I do not know whether it should have been £2.5 million or £0.5 million; I know that I lost £2 million.

Gavin Barwell: I should just like to put the record straight, following that previous intervention. According to the House of Commons Library, two of the local authorities that did worst, along with my own council, over the past five years under the previous Labour Government were Newcastle upon Tyne and Liverpool.

Heather Wheeler: That was a very helpful intervention. Fortunately, someone has some facts at their fingertips, rather than the usual pure emotion.

Mr Watts: The hon. Lady and the hon. Member for Croydon Central (Gavin Barwell) need to understand the amount of money that has gone into Liverpool. Under the Labour Administration, many millions of pounds went into the regeneration of the city. The Labour Government had a good record on Liverpool city council.

Heather Wheeler: What an amazing situation. We are completely blind to the reality of what has been going on. The ratepayers of South Derbyshire also know about how much money comes in. They were used to council tax rises of 9%, 13% and 17%, which was absolutely outrageous for hard-working families. It was completely ridiculous. We were left to fend for ourselves, and it just was not good enough.

The new localism Bill, and the new arrangements for the rate support grant, will have a major effect on what we do. We will be able to do away with the horrendous top-down targets that our accountancy and finance staff used to spend hundreds of hours dealing with. All of that will be swept away, and thank goodness for that. I am really looking forward to the announcements just before Christmas. There is one more Christmas present that the Minister can give me, relating to Gypsies and Travellers, but we can talk about that another time. We have had to put up with scaremongering for the last however many hours, and the debate is to go on until 10 o'clock, apparently, so goodness knows what else the Opposition will come up with.

Tom Blenkinsop: Those were not my words that I mentioned earlier; they were the words of Ken Lupton, the Conservative leader of Stockton borough council. He has said that the proposals were wrong.

Heather Wheeler: If the hon. Gentleman would like to phone me later, I will sort him out.

It really takes the biscuit that we can sit here, having had 13 years of local government being raped by top-down targets, London telling us how we have to do stuff, ignoring local priorities and spending hour after hour on a meaningless load of nonsense including having different languages printed on council papers all the time—

Tom Blenkinsop *rose*

Heather Wheeler: No, I think that I have given way enough. It is a delight to hear the hon. Gentleman, but perhaps another time.

I am really pleased that the Ministers have given robust answers from the Dispatch Box, and I look forward to hearing some quieter comments later on, along with some apologies from the Labour party for what we have had to put up with for the past 13 years.

5.39 pm

Mr Gordon Marsden (Blackpool South) (Lab): It is a pleasure, albeit a sad one, to speak in this debate about the impact that this Government's policies have had on my constituency and my local authority. I speak not only for Blackpool, however, but on behalf of many other seaside and coastal towns that have suffered disproportionately under the policies of the Minister's Department and the Government since they were formed—I will not say since they were elected—in May.

As many Members know, Blackpool and many other seaside towns have always had significant problems that are not just particular to them, but are greatly emphasised. The problems are connected with mobility and transience, and they often have severe pockets of deprivation. It is to the last Government's credit that significant attempts were made to ameliorate the situation both through spending formulae and through the working neighbourhoods fund, area-based grants, the local enterprise growth initiative, the sea change programme and others. They helped to soften some of the particular problems faced by those areas.

Mr Marcus Jones (Nuneaton) (Con): Will the hon. Gentleman give way?

Mr Marsden: Not at this point, but I may do later.

I shall not stray far from the motion before us, but I want to mention, in passing, the significant assistance provided by the Northwest Regional Development Agency, and the same point applies to seaside and coastal towns elsewhere.

Brandon Lewis (Great Yarmouth) (Con): Will the hon. Gentleman give way?

Mr Marsden: I would like to make a little progress before giving way. As I was saying, the regional development agencies provided a significant benefit.

What has happened since June this year? First, we had the area-based grants cuts in the emergency Budget. If we look at the figures on the cuts in seaside and coastal towns generally, and particularly at those in Blackpool, we find that in most cases the cuts were twice the level of those made in other areas. It is not necessary to take just my word for it; let me cite the words of Peter Callow, the leader of Conservative-controlled Blackpool council. On Radio Lancashire, commenting on the cuts, he said that

> "it is 33 million for a part year remember which equates to £4 million for the whole year, that is a sizeable sum and what I have got to explain to government and what I am doing is saying look behind the glitz and the glamour of Blackpool there is deprivation, we are one of the most deprived areas in the land and we shouldn't be singled out like this, I understand some of the leafy lanes of Surrey and places have got away with it, well that can't be right".

That is what the leader of our Conservative-controlled council said back in June.

Lyn Brown: I am interested in the point my hon. Friend is developing. I understand that Newham council is likely to lose approximately £70 million over three years. Newham, as my hon. Friend will know, has the sixth highest level of deprivation in the country. Richmond, on the other hand—I am sure we all who know who represents that constituency—is to lose only about 9% of its net grant, which amounts to only £4.6 million.

Mr Marsden: I am grateful for that intervention, in which my hon. Friend highlights the disparities that can arise between two boroughs in a relatively small geographical area in London. Those disparities, of course, have been reflected elsewhere. Blackpool had the cuts I mentioned, for example. Then we had the spending review.

I see in his place the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill). When he was tackled on these issues during questions immediately following the spending review, he came up with the immortal phrase:

> "Those in greatest need ultimately bear the burden of paying off the debt which this country has been left". —[*Official Report*, 10 June 2010; Vol. 511, c. 450.]

If there were ever a Freudian slip to demonstrate the position of Conservative Members, who want to punish deprived areas for the problems they face, that was it.

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): The hon. Gentleman could at least quote me properly. He should remember that I said that that would be the case if the deficit were not paid down. We are paying down the deficit precisely to protect the most vulnerable—something that his party singularly failed to do.

Mr Marsden: If the Minister consults the *Hansard* report of the day in question, he will see that he said what I have quoted, that Mr Speaker said "Order", and that we moved on to other subjects. There was no reference to what he had said.

The spending review speaks of front-loading, and we heard—unusually, coming from a blunt Yorkshireman—some quite waffly references to it by the Secretary of State. We must wait to find out whether all the waffle produces anything, but I can tell the house that the abolition of the area-based grants, and the effective abolition of the working neighbourhoods fund in the second spending review, have had a devastating effect on towns such as Blackpool, not least because—as was pointed out earlier—it is not just a question of what the

working neighbourhoods fund did for the public sector, but of what it was also able to do for the private sector in conjunction with that.

We in Blackpool, like those in several other areas, have experienced a double whammy. We have also been left off the list of areas that will receive funds for decent homes, although our borough and community feature on the index of local deprivation as the 12th most deprived in the country.

Labour Members and, to be fair, one or two Government Members have talked of the knock-on effect on other services. In my area the Connexion service, youth services and other services of that nature have already suffered badly, and are likely to continue to suffer badly if anything like the 16% overall cut that is currently being proposed for Blackpool borough council is imposed.

At this year's Labour party conference, I went to a fringe meeting that had been organised by Action for Children. It was a good, non-party-political meeting, which discussed the involvement of young people in their local communities. It was attended by some very good youth workers from all over the north-west. Virtually all those people, who were doing good work in their communities, had already lost their jobs or were about to do so, either because of the abolition of the future jobs fund or because of cuts resulting from the area-based grant system.

In case Government Members think that this is simply a bit of propaganda from the Opposition, let me remind them what the chief executive of Blackpool council wrote to me in a letter back in July about the reduction in revenue and capital support. He spoke of cuts of £3 million in the area base grant, £1.3 million in education, £731,000 in local enterprise growth initiatives, £116,000 in Supporting People, and £526,000 in the working neighbourhoods fund. The list could go on. In fact, the north-west generally faced the biggest share of the £1.17 billion of local authority cuts that were announced in June. It lost £1 of every £6 that was cut across the United Kingdom.

Gordon Birtwistle (Burnley) (LD): I was a Burnley councillor for many years. We had the working neighbourhoods fund, but we were well aware that it would end this year. Were Blackpool councillors not aware of that? We made provision for it.

Mr Marsden: I thank the hon. Gentleman for his comments. I understand that he wishes to mitigate some of the criticism that his own councillors have made of the various settlements, but I remind him that the cuts in area-based grant had to be effected in year, in this year, quite apart from what would happen after 2011.

Mr Watts: The Government keep talking about the three-year period for the working neighbourhoods fund. At that stage we had a three-year settlement, so all grants were based on three years, not just this one.

Mr Marsden: I am indebted to my hon. Friend. He is, of course, absolutely right.

Lyn Brown: Will my hon. Friend give way one last time?

Mr Marsden: Very briefly.

Lyn Brown: I thank my hon. Friend, who has been most generous. Does he agree that the withdrawal of the working neighbourhoods fund is a false economy? Getting just one single parent into employment through the use of the fund saves the public purse about £5,300 per year.

Mr Marsden: My hon. Friend is absolutely right. In common with many other seaside and coastal towns, Blackpool has a lot of small businesses and micro-businesses, and they are precisely the kind of businesses that benefited from the application of the working neighbourhoods fund and who are now suffering as a result of its potential withdrawal.

I want to talk about the situation in Blackpool as it is now. My local authority has told me that, on the basis of a 16% cut, it is looking for cuts of £32 million in its overall budget. Unsurprisingly, that led the leader of Blackpool council to write to the Secretary of State—he has been having quite a sustained correspondence with the Secretary of State, but without a great deal of success. On 6 October he said that he had written in June to highlight the disproportionate impact that the first tranche of funding cuts was having on a needy and deprived local authority and to make a plea that the autumn comprehensive spending review considered a more equitable sharing of any other pain. It did not do that, of course, and he then felt constrained to write again on 5 November saying that his assessment and that of many of his colleagues is that the front loading of formula grant cuts will have an adverse effect of between 12% to 16% next year, which is very significant. He said that there was the anticipation of major job losses in 2011-12 alone and that for a town like Blackpool, where nearly 30% of the working population are currently employed by the public sector and which has seen a 91% increase in JSA over the last two years, such a radical step reduction in central funding would have a catastrophic effect on the local economy. He said that he fully understood the need to reduce the overall deficit over the four-year period but he urged the Government to reconsider their approach prior to the announcement of that provisional settlement in early December.

That is also what all my party colleagues are urging. We are not suggesting that the Secretary of State has a magic wand he can wave to solve all the problems—not that I have ever seen him in Christmas panto. Rather, we are talking about sensible settlements.

We are also talking about the cumulative effect of what this Government have done, because it is not just about the cuts in the working neighbourhoods fund or local government cuts. It is also about what is being done in respect of education maintenance allowances. Some 2,500 young people in Blackpool are now going to be deprived. I went to my sixth-form college last week, where I met the brightest group of first-year sixth formers—all of them girls, incidentally. I have been meeting them for some time. They were all full of enthusiasm for where they were going, and they had all come through the Aimhigher programme. They were also all—bar one, I think—in receipt of EMA, and, of course, they were the last cohort to be receiving that. We are therefore talking about this whole conglomeration of subjects.

The fact is that, even if the Secretary of State believes he has made a significant impact on the current situation,

[Mr Marsden]

that is not what the journalists are saying. On 25 November, the *Local Government Chronicle* said that the Secretary of State

"has been rebuffed in a last-ditch plea to the Treasury for funding...Sources close to chief secretary to the Treasury Danny Alexander"

who was obviously not singing from the same hymn sheet as the Secretary of State today—

"confirmed that the Secretary of State made an unsuccessful plea for more cash earlier this month to mitigate the impact of front-loaded local government cuts."

The Secretary of State was singing a cheerful song today, but whether he was whistling to keep his spirits up, we will wait to see with the local government settlement.

When we move aside all the statistics, we are talking about the impact of real cuts on real people. I want to conclude by sharing with the House the account of a visit I made to a project in the summer. It is a community garden in a very deprived area in the centre of Blackpool. Everybody had worked hard on it, but the efforts had been co-ordinated by a woman from the council who had worked with the police community support officers and the residents association. The mayor attended, and we all had a wonderful afternoon. At the end the woman from the council came forward and said a few things, and we were then all told to put our hands together and give her a big round of applause because it was her last day. Why was it her last day? It was her last day because she was one of the people losing their job under the area-based grants cut that this Government have brought forward. I do not want—and I am sure many other Members do not want this either—to spend the next 12 months going around my constituency from worthy project to worthy project having similar experiences. Therefore, despite the philosophical and ideological differences between the Government and Opposition Members, I urge the Government to think again. They should look again at the disproportionate effect these policies are having on some of our most deprived communities.

5.55 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): I am pleased to have this opportunity to speak in a debate on local government. As I said in an intervention on the shadow Secretary of State, local government is very important, as is funding local government properly, and I think it is perfectly proper for the Labour Opposition to choose the funding settlement for local government as the general subject for an Opposition-day debate. The title of the debate is therefore entirely appropriate; we should debate the distribution of local government funding and the effects of changes to it.

The only real matter of dispute that I have with the right hon. Lady and her colleagues is that many of them are making comments today as if the settlement had been announced, when instead we are, I hope, using our last chance to tell Ministers what we would like to happen. A whole succession of colleagues on the Labour Back Benches have reeled off figures as if they were the final settlement, and one has complained that one of his councils has not finally decided what cuts it should make. The hon. Member for Denton and Reddish (Andrew Gwynne) complained that Stockport council has not finalised that. My hon. Friend the Member for Cheadle (Mark Hunter) used to be the leader of Stockport council. Those of us who know that council, and many other councils, well understand that it has not yet finalised its budget—and neither has my local authority, which happens to be run by Labour, whereas Stockport is run by Liberal Democrats. They are waiting—

Lyn Brown: Will the hon. Gentleman give way?

Simon Hughes: No, the hon. Lady entered the Chamber only a few minutes ago and has already intervened twice, and I want to deal with the contributions that have been made.

Most councils wait until the provisional settlement, which will be announced next week, after which they make representations if they feel it is not fair or appropriate, and then there is a final settlement. Of course there is planning for a budget, but today's debate is an opportunity for us not to be doom-mongers about decisions that have not been taken, but to make sure we put cases and arguments publicly, that some of us have been making to Ministers and colleagues privately, as to what we believe will be the best possible settlement in the difficult financial circumstances of the time.

Barbara Keeley (Worsley and Eccles South) (Lab): As the hon. Gentleman is accusing the Opposition of saying things in a particular way, we must be clear that local councils have been pleading with Department for Communities and Local Government Ministers for a steer on this because of the unprecedented level of cuts. The comprehensive spending review clearly shows front loading, yet the Secretary of State today still calls that fiction and will still not answer questions. Does the hon. Gentleman not agree that it is right that when councils ask for a steer they should be given a steer, yet we are still not getting a single answer from Ministers?

Simon Hughes: Of course councils make representations both collectively and singly and, understandably, once councils of all parties, including those run by Liberal Democrats, heard the announcement of the CSR in October, they told the Government that they thought the front loading of the four-year settlement was not as desirable as a more evenly spread reduction. I share that view. I intervened on the Secretary of State asking him if there was an opportunity to have a flatter reduction over the four years. He did not give a final answer because, of course, that is a decision that will be left until the formal announcement, but he indicated—I agree it was not definitive—

Caroline Flint *rose*—

Simon Hughes: Wait a minute; I want to deal with the question from the right hon. Lady's colleague first.

The Secretary of State indicated that he was understanding of that point, and it is clear that the Government have done work to see if they can mitigate the effects of a more severe front loading. I, like others, will wait to see the outcome of that. I hope it will be possible to mitigate the effects. If it is, that will be a major achievement; if it is not, it is to be regretted. However, there are many good things about the settlement so far that was announced in the CSR, as there are also

some proper concerns, one of which the hon. Member for Worsley and Eccles South (Barbara Keeley) rightly enumerated.

Caroline Flint: Part of the reason that the Opposition decided to use a whole day of Opposition time to debate this subject is that we think we should lobby and pressure the Government on it. I must ask the hon. Gentleman something. Would it not have been better if, instead of having the formula grant profile announced in the comprehensive spending review show a decrease next year of 10.7%, and then reductions of 6.4, 0.9 and 5.6% for the following three years, the Government could have spread the cuts evenly over that four-year period? They have created completely unnecessary mayhem and fear out there.

Simon Hughes: I say clearly to the right hon. Lady that, as I have indicated, I have argued publicly and privately that it would be better for the spending reduction to be spread more evenly. I have been into the Department to make that case. A parliamentary committee of Liberal Democrats from both Houses has collectively made that case, and it includes people who have been leaders of local councils. I understand and share the view that it would clearly be easier for local government to manage a gradual reduction than sudden and bigger reductions in the first two years, a small reduction in the third year and then an intermediate reduction. There is no disagreement on this issue between the right hon. Lady and me, and there is not much disagreement between councils of all colours around the country, which are making that point to the Government. I hope that the Government and Ministers in the Department for Communities and Local Government have been able to make some progress on that point, given that they obviously have to start with an announcement made by the Chancellor which reduces their flexibility—we will doubtless hear when the settlements are made.

Joan Ruddock: I do not know where the hon. Gentleman's local authority lies in the indices of multiple deprivation, but mine is the 39th most deprived in the country. I say to him that there is a need for him to advise the Government on how to create fairness between boroughs such as ours and the Prime Minister's local authority, which has been cited and is in the 5% least deprived areas in the whole country.

Simon Hughes: The right hon. Lady would expect me to be sympathetic to that point and I have acted in the past few weeks on that very issue. I have been in to see Ministers; I went to see the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove (Andrew Stunell), and civil servants to discuss exactly that issue. I believe that it would be wrong if all the funding currently given to councils, including the working neighbourhoods fund, which was a top-up in order to assist deprived communities, was not taken into account as the starting point for the calculation for the next grant. I have also argued that it would be inappropriate for there to be a greater decrease in percentile terms for authorities such as hers and mine, which have significant deprivation, than for smaller authorities, just because we happen to have had a larger amount of public money before. I have been given reassurance that an upper and lower percentage reduction will be common across all local government—a band above and below which the reduction cannot happen—and that there is a likely inclusion of at least some, although I hope all, of the other funding, not just the core formula grant.

I understand the point that the right hon. Lady makes, and she would expect me to go into bat for deprived communities, because I represent a borough that has a higher deprivation index than the next-door borough of Lewisham—I believe that is the case. Relative deprivation is not a competition we are proud of, but this is something we have to deal with. Of course one of the things that we have to do is try to get a fair settlement that reflects the needs of and deprivation in all the local authorities in that settlement. Again, I can tell her that I have been doing the job that she, my constituents and my local authority, although it is run by Labour, would expect me to do, just as I would have done when my local authority was run by my colleagues.

Mr Watts *rose—*

Simon Hughes: I will not give way, as the hon. Gentleman has intervened several times in this debate and I want to press on.

It is not just local government that is important; I want to pay tribute to councillors, of all parties, who serve in local government and to many extremely good officers in local government. It contains some brilliant officers, some less brilliant ones and, as in any walk of life, some people who may not be in their right vocation. Southwark council has some excellent officers, and I pay tribute to them and thank them for their courteous and regularly helpful service.

We know the background to today's debate: we have to deal with a huge economic legacy of the combination of international problems, the banking crisis and the previous Government's policies. We know that we have to save public money and we know that local government has to bear its share. I note that the Department for Communities and Local Government has imposed on itself a larger percentage reduction in its funding than it is asking local government to bear.

There will also be good things in the settlement, according to the comprehensive spending review. For example, it is clear that there will be additional money—£1 billion a year—for personal social services, in order to deal with the fact that there are more older people and people are living longer. That is a good thing. There will also be far fewer ring-fenced grants—90 will reduce to 10—and that is a good thing for most local councillors, who want to have that choice. In addition, a set of local community budgets will be trialled around the country. We should be positive about those good things.

The Government have to take two other things into account. The first is that some councils have much more reserve than others. The second is that some councils have the ability to raise much more money through council tax than others, because they serve much richer communities. Those background considerations are absolutely relevant.

Mr Marsden: On that specific point about revenue-raising ability, does the hon. Gentleman agree that this is why, regardless of philosophical arguments about dedicated

[Mr Marsden]

streams, the severe attack on area-based grants for councils with significant areas of deprivation has been so devastating?

Simon Hughes: That is why a debate has taken place in which some of us have been trying to discuss a formula that is fair. Some bits of funding that are nothing to do with the local government funding settlement will still go to "affluent" and to "less affluent" areas. Such funding cannot be affected by it, which means that those areas will continue to get public money because it is protected in other ways.

I hope—I was going to say this at the end of my speech, but I will say it now—that one of the things that this Government can achieve, given that they are already a Government of two parties, is to work with the Labour party to try to get a more settled, agreed formula for distributing money to local government. Of course the cake size will vary, but the way in which it is divided between county and district council, and between unitary authorities, metropolitan boroughs and London boroughs, is always the subject of terrible struggle every year and has never been entirely satisfactory. This is neither coalition policy, nor Liberal Democrat policy, but I see no reason, given that we have set up an Office for Budget Responsibility to give independent advice, why we could not have an office that does that sort of job for local government and seeks to offer independent advice as to what the formulae should be. That would take that issue out of the inevitable political bartering, which does not, in the end, necessarily produce the right answer. This involves a terribly complex set of issues and I hope that we can find a better way of doing it.

I wish to make a final generic point and then say a couple of specific things relating to today's agenda. I know that the Government have met and heard from the Local Government Association and London Councils, which are both cross-party bodies. I shall put on the record the LGA's five considerations, which I share. I have dealt with one, which is the desire for a reduction, if possible, of the impact of front loading. My right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) has touched on another, which is the desire for an increase in capitalisation limits.

I raised that issue with Ministers the other day. The Government have set aside £200 million to pay for potential redundancy in local government. I understand exactly what the Secretary of State said, which was that we hope that many of the job losses will come through natural wastage and other things, not enforced redundancy. My noble Friend Lord Shipley managed well a reduction in staff when he was a council leader in Newcastle, working with the unions, in a way that mitigated all the worst consequences—that is how it should be done. There are good models for doing that, and they are very much supported by the TUC and its member unions. I have had good and authoritative reports that the real figure is much more like the one that the right hon. Member for Don Valley (Caroline Flint) and I have used and, thus, the total bill may be nearer £2 billion, or thereabouts, than £200 million—that clearly needs to be addressed. It is no good our thinking that local authorities can necessarily find the money that they will need if they are to reduce their staff costs.

Sir Alan Beith: It is perhaps worth reiterating that some authorities could meet a larger proportion of the redundancy requirement out of reserves and that others, through no fault of their own, are not in that position—I mention Northumberland as an example.

Simon Hughes: I remember—my right hon. Friend alluded to this fact—that the situation in Northumberland, which went through an enforced change in its local authority nature, boundaries and so on, was more difficult. Others are in difficult situations, too.

The LGA's third point concerns accounting for what it calls "missing grants". There is uncertainty about more than £1.1 billion of specific grants on which councils rely and where the Government have yet to announce future funding levels. I do not know whether the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), can tell us when he winds up whether those announcements can be made at the same time. The sooner they can be made the better.

The fourth point concerns fees and charges that are set centrally, such as licensing fees, which have often been shown to be inadequate in covering the full cost of the related services and I ask the Government to deal with that across Government. There are many sub-issues with fees and charges. I hope, for example, we stop the nonsense of having differential fees for burials depending on which side of a boundary one lives—*[Interruption.]* This is a serious point. People who happen to have moved across a boundary, having lived all their life in one authority, find they have to pay, say, 10 times as much to have their late husband or wife buried. Those things are offensive nonsense and we need to deal with them.

The last point is that we need fair grant distribution. That is where I make the strongest plea, alongside the right hon. Member for Don Valley. We must ensure that all the funds that have come from Government to local government this year are the starting point for the calculation for the next year. I have been reassured that things are moving in that direction and I want them to move completely in that direction over the next few days.

London Councils makes similar points. Southwark, like Lewisham, is a borough that has had the protection of a floor and cap, as many authorities have had to. Southwark, like London Councils, argues that funding floors should be set at the highest possible level to prevent cuts falling disproportionately on the local authorities with the highest need. That is important. Those points have been made, by and large but not exclusively, by authorities that are not Conservative-run, but authorities run by the Tories are in that boat, too, as well as authorities where there is a joint administration.

Let me make a final couple of points. Also included should be any other local authority funding that has been cut, if for understandable reasons. For example, in Southwark there was the Aylesbury private finance initiative for our largest estate, which was due to be rebuilt. Because that work had not started, the Government have said that they cannot advance the money. I understand that argument, but it needs to be taken into account as part of the picture. I make a specific plea on that point.

I am conscious that the Government will go down the road of returning business rate control to local government. That is a good thing. I am very conscious that in the

localism Bill, which I think is coming into the public domain this week, the Government will give much more discretion to local government on how it raises and spends its money. That is a very good thing. I have always argued that the Department that looks after local government should stand up to the Treasury so that local councils can have the power of general competence, including total general financial competence. For example, they can then borrow against their asset base—their housing stock in the case of Southwark—without having to go to the Government cap in hand to get permission. The Treasury's hand has been unnecessarily authoritative. I understand why, but in any other parts of the world local council spend does not count in the same way and in the same accountancy column towards public sector borrowing requirement totals.

I have a couple of messages to give local councils through the Government. Again, I shall reflect some things that have already been said. Councils must be careful not to pick on the voluntary sector when times are hard for them. It is easy to do that. It is easy suddenly to decide to take all or the bulk of the money away from organisations that are not in-house. Sometimes, councils must reduce their own management and costs. That might be a more effective way of dealing with reductions than taking money away from the voluntary sector, where local authority funding contributes towards a larger whole. I hope that there will not be any such abuse of the relationship. Voluntary sector organisations are often valuable partners and they need to be given as much support and encouragement as possible.

Siobhain McDonagh (Mitcham and Morden) (Lab): I agree with the hon. Gentleman, but does he not think that that is the basis of the debate? If the cuts are early and quick—if they have to be decided in three months—people will go for the easy options rather than the restructuring, because the restructuring will take longer to come into effect. Cutting a voluntary sector budget is almost immediate.

Simon Hughes: I will not dissent from that. I am trying to act in a spirit of consensus and I hope that we will be careful. To put it bluntly, there are both good and poor voluntary sector organisations and although I am not saying that they should not have their grants checked and revisited regularly, the good ones need protection. There is sometimes scope for rationalisation in the voluntary sector. In Southwark, the three pensioners' organisations are becoming one. That should have happened a long time ago—I argued for it—and it will make them a stronger body. I also make a plea that non-statutory youth services should be particularly protected. Colleagues on both sides of the House have argued for that.

Local government must get the message that it should not be paying anybody more than the Prime Minister. It is very simple. Salaries have been ridiculous and unjustified. It has been everybody, and it is not the fault of a council of any particular colour. They have been following each other into this competitive game. To put it bluntly, nobody in the public sector needs to earn more than about £150,000 a year. I am sorry, but I have a really hard-line view about this. We need to start to scale down the ridiculous salaries. If the public sector behaved properly, perhaps we would have some morality in going to the private sector to say that it should not pay such ridiculous salaries either.

Times might be hard, but I ask local government please not to sell off the family silver, which it might live to regret. I am having a local spat with my local council leader because Southwark council has decided that it wants to sell off the three historic metropolitan borough town halls. That is unnecessary. The buildings could be reconfigured and kept in use and they would be far better places and venues that would be far more valuable than the alternatives that have been mentioned.

I have followed the example of the hon. Member for Blackpool South (Mr Marsden) in being positive about trying to find a way of doing things much better in the future. We need common agreement on how to decide the formula. I hope that we will minimise redundancies in all cases, because nobody wants any more redundancies than there should be. I hope that when we get the settlement—probably next week—there will be the maximum collaboration between the major parties to try to ensure that where there is still unfairness, we seek to persuade the Government to make adjustments between the provisional settlement and the final settlement so that the latter is better. This will not be an easy time for local government—no one is pretending that—but I hope that today's debate will mitigate that and that we can all encourage Ministers in the Department to ensure that they win as far as possible every remaining battle they have to fight with the Treasury.

6.17 pm

Steve Rotheram (Liverpool, Walton) (Lab): I am delighted to have been given the opportunity to speak in this important debate as, once again, yet another announcement—this time on local government funding—will see areas such as Liverpool lose out in favour of more affluent areas of the country. I have no doubt that some Tories on the Government Benches would agree with the rich getting richer—after all, it is part of their political philosophy—but they could at least come clean about it and not try to kid us that this makes things fairer.

Andrew Percy: Will the hon. Gentleman give way?

Steve Rotheram: Not just yet.

To hear the Secretary of State tell one of my hon. Friends not to take us back to the '80s shows the brass neck of the man. That is exactly what Labour Members wish to stop. If he wants to know about that torrid decade of Tory rule, I would be happy to sit down with him for a few days to outline the devastation that the Tories wreaked on our great city and specifically on the people of Liverpool, Walton.

This decision on local government funding by this coalition Government will have a disproportionate effect on the area I represent. When I made my maiden speech, I warned—hon. Members can check *Hansard*—that I would fight against a return to the devastating Tory policies of the '80s that nearly destroyed places such as Liverpool. That is a fight that I will not shy away from.

The Government are rapidly gaining a reputation for saying one thing and doing another, and I fear that their gung-ho approach to local government funding is yet another shameful example of the widening gulf between the coalition's rhetoric and the harsh contradictory reality on the ground.

Gavin Barwell: The hon. Gentleman is making a powerful case against funding being cut in deprived areas and the money going to affluent areas. If I told him that, according to the Library, Liverpool, like my authority, had one of the lowest increases of the past five years—a 3% cut from the Labour Government—and that the biggest increase went to Rutland, which got a 25% increase, what would he say about the Labour Government's record over the past five years?

Steve Rotheram: I would say that it is not just about one specific funding stream; it is about an overall package. Liverpool benefited greatly under the Labour Government—so much so that the hon. Gentleman's friends on the Liberal Democrat Front Benches used to say that the Lib-Dem controlled Liverpool city council was a flagship council because it had got so much money from the Labour Government. Don't try to give me lessons about what happened in Liverpool, mate!

In June, the Department for Communities and Local Government wrote about the immediate front-loaded and ongoing savings to be made by local authorities that

"the Government is satisfied that it has adopted a fair approach to making the necessary reductions."

In the comprehensive spending review, the coalition promised to

"limit as far as possible the impact of reductions...on the most vulnerable in society, and on those regions...dependent on the public sector".

The Government never tire of reminding us that we are all in this together, in the new age of austerity, and insist that their belt-tightening is fair and progressive. So much for the rhetoric. The reality is that the proposed one-size-fits-all local government finance settlement, with its removal of ring-fenced funding for poorer regions and its top-slicing of the formula grant, is set to hit the poorest councils the hardest—none more so, unfortunately, than Liverpool city council.

Whether the Secretary of State likes SIGOMA or not—he did question its findings—its research shows that of the 20 worst-hit local authorities financially, all but two are in the top 20% of most deprived areas in the country. Conversely, of the 20 councils that do best out of the comprehensive spending review, all but two are in the top 10% of wealthiest local authorities. The SIGOMA report concluded:

"The current finance settlement perpetuates inequality rather than allowing areas to operate on an equal footing."

SIGOMA is not alone in its findings. Following its own analysis, the TUC has affirmed that the Government's budgetary policy

"will risk the recovery, increase inequality and threaten social cohesion".

Tom Blenkinsop: Some interesting facts came out today from the construction industry. The Construction Products Association said that it was going to slip back into recession and the Engineering Employers Federation said that it would not be able to pick up the slack from public sector cuts as the Government have said it would.

Steve Rotheram: I thank my hon. Friend for those comments. Having been a bricklayer and an apprentice, I know the construction sector all too well. I once described myself as the only bricklayer in Parliament; unfortunately, one of my colleagues, who is not present, also did an apprenticeship but he was not indentured, so I can still legitimately claim to be the only indentured bricklayer in the House of Commons.

In addition to the statistics I have quoted and the bodies I have mentioned, the Centre for Local Economic Strategies has noted that the areas most at risk are those with relatively few private sector jobs, high levels of unemployment, poor transport links and high vulnerability to national public sector job losses.

Brandon Lewis: The hon. Member for Blackpool South (Mr Marsden) made some comments about coastal towns, and my constituency fits that bill. When Labour came to power, Great Yarmouth had a couple of the most deprived wards in the country and they were still in the handful of most deprived wards when it left power. Surely the hon. Member for Liverpool, Walton (Steve Rotheram) must agree that it is time to try something different.

Steve Rotheram: I would love to ask the people of Great Yarmouth whether they would like some money with strings or no money at all. I think they would rather have money with strings than what you are proposing—cuts across the board. *[Interruption.]* That is about local authority spending, not how much money you get. You cannot have it both ways.

Madam Deputy Speaker (Dawn Primarolo): Order. If the hon. Member for Great Yarmouth (Brandon Lewis) wants to make a further intervention, he should stand and do so, not shout a conversation across the Floor of the House.

Steve Rotheram: I apologise, too, Madam Deputy Speaker. I am quite passionate about this. I do not normally just stand up and say things in the Chamber; I stand up when what you are trying to do affects the area that I represent. Believe me, this is one of the areas where we are going to be most affected.

Expert analysts up and down the country agree that the evidence is overwhelming that the rich will get richer and the poor will get poorer—so much for progressive politics. This might be far too grave and pressing an issue to exploit for party political reasons, but I cannot help but notice the findings of the House's own researchers that

"the average proportion of grants cut is lower for Conservative controlled authorities than the average for authorities controlled by other parties."

Tory-led West Oxfordshire district council, which is in the Prime Minister's constituency and is one of the least deprived in the country, can look forward to a budget increase of up to 37% over the four-year spending review period, while Labour-run Liverpool city council is set to lose—*[Interruption.]* I would love you to come to Liverpool and laugh in the faces of those people who are going to be forced—

Madam Deputy Speaker: Order. The Minister knows better: if he wants to make an intervention he can do so. Let me say to the hon. Member for Liverpool, Walton (Steve Rotheram) that although he feels very passionately about this issue, he must direct his comments to me in the Chair, preferably not blaming me for the Government's

policies—or the Opposition's for that matter. He should not respond to any points unless they are made by way of an intervention.

Steve Rotheram: Thank you, Madam Deputy Speaker.

The Labour-run Liverpool city council is set to lose up to 38% of its funding. Clearly, some of us are more "in this together" than others. I mention Liverpool, as I always try to, because it is the very reason I am here in the first place. Let me focus briefly on precisely what the new funding regime means for my neck of the woods. I should point out that the very nature, speed and extent of the cuts represent a double whammy for Merseyside, which is home to two of the most deprived councils in the country—Liverpool and Knowsley. Indeed, Liverpool is the most deprived local authority area in the land according to all the key poverty indicators, despite the transformation of our city into a true international destination of choice.

Robert Neill: I understand the hon. Gentleman's concern for his native city, but has he seen the local government finance settlement? No one else in the House has.

Steve Rotheram: No, I have not, but if the Minister can tell me that Liverpool will not suffer disproportionate cuts, I will allow him to come back in.

Robert Neill: As the hon. Gentleman has not seen the figures and therefore cannot know what they are for any authority, does he think it right to speculate and scare people when he has no evidence on which to base his assertions?

Steve Rotheram: I am more than happy to give way to the Minister if he can allay the fears of people in Liverpool, Walton. Can he tell them that what I am saying is not true and that Liverpool's funding will not be disproportionately cut? I did not think so.

Robert Neill: Will the hon. Gentleman wait for the settlement and perhaps look at this then?

Steve Rotheram: What we are doing is preparing for the worst cuts for generations in areas such as Liverpool.

George Hollingbery: Will the hon. Gentleman give way?

Steve Rotheram: I have already allowed enough interventions, as hon. Members must admit.

Mr Watts: Does my hon. Friend think that the confusion about the likely size of the cuts is because the spending review that was publicised is the document that everyone is working from? If there is a problem with it, it is because the Government have done the figures wrong.

Steve Rotheram: I thank my hon. Friend. In the spending review framework, the Government committed themselves to limiting the impact of reductions on areas heavily dependent on the public sector. To meet their stated commitment to fairness, should not the Government apply the same logic to the local government settlement? I will give way if the Minister wants to answer that.

I was speaking about the Tory-led West Oxfordshire district council in the Prime Minister's Witney constituency, one of the least deprived areas, and about Liverpool, the most deprived local authority area, getting a 38% funding cut. I mention Liverpool, as I always do, and Knowsley. As an aside, both the Labour party and the Lib Dems have had their conferences in Liverpool. I ask the Tories to do the same so that they can see our wonderful city for themselves. Maybe then they would be less likely to destroy all the progress that we have made in the past few years.

George Hollingbery: I have huge admiration for the passion with which the hon. Gentleman defends his constituency. I freely admit that I have little idea how the cuts will impact on Liverpool. However, he probably has as little idea how they will impact on places such as Hampshire, which outwardly may appear to be leafy, rural and wealthy, but Hampshire has suffered a loss of £45 million of formula grant since 2003-04, and expects to lose another £20 million over the next few years. Furthermore—

Madam Deputy Speaker: Order. Not "Furthermore"; it is an intervention. The hon. Gentleman can make a speech in a moment.

Steve Rotheram: I shall be interested to see whether the hon. Gentleman will allow me to intervene, as I have allowed him to do.

Liverpool city council has established that the in-year cuts announced by the Government in May will have a more than £20 million impact in its ongoing annual reductions. Almost half of this will come from the 2010-11 area-based grant programme, the very programme designed to support deprived communities according to their needs. Funding for a programme to reduce health inequalities by reducing smoking will be cut by 48%. The local enterprise growth initiative, which the hon. Member for Bermondsey and Old Southwark (Simon Hughes) spoke about, focuses on increasing entrepreneurial activity. It will lose 14% of its moneys.

The transitional employment programme, which supports the long-term unemployed back into employability and employment, will see a 13% cut in its funding. The working neighbourhood fund, which has been mentioned by other speakers, was introduced under the previous Government to tackle worklessness in deprived areas. It has been done away with altogether, depriving the city of £3.5 million this year alone; and another £3.5 million of cuts have been made in area-based grants which directly affect children and young people.

The Government have been consistently slick in their assurances that the delivery of key services need not be adversely impacted, that the vulnerable will be protected, and that the Government are serious about job creation, tackling the skills deficit and getting people back to work. That is starting to sound like a load of old guff.

Simon Hughes: The hon. Gentleman's city, Liverpool, is a fantastic city. Whatever our differences, our two parties have run it over the years and they have both contributed to it being the great city that it is. I am not speaking for the Government, but I know that they are keen to try to pull together all the effects of spending changes from all Departments as they affect a city or a

[Simon Hughes]

region, so that none ends up with an unfair or unnecessarily severe burden. That is a tall order. It has never been done before, but the Government are trying to do it, and I hope that people such as the hon. Gentleman and I will work together with the Government to ensure a fairer spread of funding decisions across the—

Madam Deputy Speaker: Order. The hon. Gentleman knows that interventions should be brief. It is not his role to mediate—not in the Chamber, at any rate.

Steve Rotheram: What a shame that the hon. Member for Bermondsey and Old Southwark is not speaking on behalf of the Government and in a more elevated position. If he were, the concerns that he highlights would be brought to the attention of those making the decisions.

Following extensive research and analysis of the impact on Liverpool of the unfair distribution regime, the TUC summed up its findings as follows:

"Experience on the ground suggests that even at this early stage of spending cuts it is simply not possible to make such steep reductions in spending, without hitting the worst off. The impact of cuts in the area based grant also shows that spending reductions so far have been about far more than reducing waste—front line services have been affected."

I seriously begin to question at best the competence, and at worst the integrity, of the present Administration when programmes, services and initiatives which clearly contribute to the declared aspirations of the Government are held in such contempt.

I have not even touched on huge job losses, with the compounding impact of central Government cuts, or the longer-term prognosis, and there is much more that I would like to say, but I have been told by somebody not too far away that my time is almost up. I am desperately hoping to prevent the disproportionate effect on the area that I represent. I finish with a plea to the Government ahead of their local government finance settlement.

My hon. Friend the Member for St Helens North (Mr Watts) tabled early-day motion 1088. In it, he succinctly outlines issues of particular concern affecting less affluent areas of the country, makes sensible and reasonable recommendations, and calls on the Government to take serious heed of the incontrovertible facts and to deliver on their promise to ensure fairness. It is future generations that will reap the social consequences of the Government's unfair and pernicious policies, so I urge coalition Ministers to study carefully the points that my hon. Friend and many other right-thinking Members have made, and to think again before careering headlong into a finance settlement that will prove punitive, self-defeating and irrevocably damaging to those who need and deserve that the least.

6.37 pm

George Hollingbery (Meon Valley) (Con): I pay tribute to the hon. Member for Liverpool, Walton (Steve Rotheram), who spoke with real passion for the area he represents. None of us would expect anything less of hon. Members than to defend the areas that they represent. However, there is no doubt that some cuts had to be instituted, as those on the Opposition Front Bench admitted. There would have had to be cuts, whoever was in control.

In the comprehensive spending review, my right hon. Friend the Chancellor outlined a programme of cuts and spending changes that would allow us to put the country back on a firm footing, among which were changes to local government funding. I know that my saying this is likely to arouse groans from the Opposition Benches, but there is no doubt that, as the Secretary of State pointed out earlier, if changes are to be made to the amounts paid to local government, the period in which they are granted and the amounts in each period, Opposition Front Benchers will have to identify areas elsewhere in Government they would cut. It is no good saying that there are no consequences; there plainly are.

Government Members could talk eloquently about closing hospitals and about body armour for soldiers. I shall not use that ploy, but something will have to give somewhere if we change the numbers for local government.

I shall address one or two of the points made in the document from SIGOMA. I entirely understand why an organisation of local authorities should get together to try to defend their position. Clearly, that is the right and proper role of local authorities in the current circumstances, but one of the points made in the document is about the imposition of floors. I think I am right in saying that the right hon. Member for Greenwich and Woolwich (Mr Raynsford), the former Local Government Minister, was responsible in 2002-03 for the imposition of the floors, which protected some local authorities from huge reductions in local government spending as a result of the formula having changed enormously. The floors have remained until the present day, so any disparity or inequality that might be felt across local government has been entrenched by that rule, which resulted from enormously complicated changes in local government funding rules. It is therefore very difficult at this stage to imagine that in one fell swoop we on the coalition Benches will even out the inequalities created over the past 10 years.

It is reasonable to question the funding formula itself. It has changed a great many times, as hon. Members will know, resulting in enormous confusion across many local authorities and, in my part of the world in particular, a real reduction in funding over a great many years. I have already mentioned some of these examples in the House, but East Hampshire district council saw a real-terms funding reduction of 25% from 2001 to 2010, while Havant borough council saw a 13% real-terms reduction. Havant council has almost no assets. It is not a Wandsworth or a Westminster, with a huge parking income or buildings it can rent out to third parties; it is a straightforward council that takes in council tax and receives grant from the Government, yet its funding has been reduced by 13%.

Barbara Keeley: Would the hon. Gentleman like to inform the House what the balance is between the formula grant and the council tax base for those councils? That is one of the big disparities, and it is not helpful to talk just about the formula grant, because many councils in places such as Surrey and Hampshire have a good, substantial council tax base.

George Hollingbery: I absolutely understand what the hon. Lady is saying. If I remember rightly, the SIGOMA report includes a table—I think on page 4—of the differential rates of council tax between authorities.

I cannot tell her exactly what the numbers are, but the overall band D council tax charged in East Hampshire, taking in the Hampshire county council precept and the local parish precepts, is higher than in the SIGOMA authorities. There is already a disparity in the amount that local citizens pay in my part of the world towards the funding of their councils, which is taken into account in the grant settlement, as I understand it. As I mentioned in my earlier intervention—I apologise again for making it overly long, Madam Deputy Speaker—the amount for Hampshire county council reduced by £45 million between 2003-04 and this year, and it is expected to reduce by a further £20 million over the next several years.

Those are not the only sources of funding for local government—there is the business rate and council tax. The UK Statistics Authority says that 56% of local council revenues comes from the council grant. If we apply the cut that the Government propose to that 56% and look at the totality of what local government takes in, we find that the cuts amount to about 14%, or 3.3% a year. The Government have been brave and transparent in talking about the totality of cuts to the revenue grant allocations, because the cut across local government is rather less.

Furthermore, an article in the *Municipal Journal* from 4 November last year said that studies of Total Place had suggested that only 5% of all spending in a local area comes through democratically accountable bodies, which leaves 95% to come from central Government—funding that can continue to be spent without the cuts applying, even though there may be cuts elsewhere. Therefore, a lot of the talk that we have heard—about fire and brimstone, a cleansing across local government, and local businesses going out of business because there is no longer any money—needs to be taken in that context. Plainly, a great deal of Government money is still spent locally.

One or two points have been made about the Government not doing anything to help local businesses. Indeed, the converse point—that the cuts will have a disproportionate impact on areas with high local government employment—has also been made. The Secretary of State did not mention it, but the Chancellor has provided for national insurance contributions holidays, which are granted to small business formations and are specifically targeted on areas with high levels of employment in local government—or, indeed, in government across the board. The Government have therefore taken into account the fact that, although there will be cuts in local government, new business formation will be important. Much as many of my colleagues in the south-east would like the NIC holiday to come to the south-east, we have at least some understanding of why it is not.

I do not for a moment misunderstand the fact that anybody who loses their job faces a difficult time, particularly in the current conditions. Therefore, I take seriously the loss of employment in local government. However, it is also worth pointing out—to use the cliché—that when it comes to innovation, necessity is the mother of invention. De-ring-fencing has allowed local councils a world of flexibility to find new ways of doing things: to work differently with partners, and to take budgets that were predicated on particular activities occurring in a certain way and use them differently.

Various representations have been made to the Select Committee on Communities and Local Government, from people across the country and across many subjects, but I was particularly struck by one contribution—I think it was about Birmingham; it could have been about Manchester. *[Interruption.]* Opposition Members will have to forgive me—we have had many representations. Some 15 or 20 agencies were offering similar services to the local population. If we have such duplication of services in local councils—and I believe that in some of the large metropolitan boroughs we do—there are surely innovations to be made. There is money to be saved, and there are new, different ways of doing things. I commend that to local councils.

Andrew Bingham: For the past two or three years, the council in my constituency has shared a chief executive with Staffordshire Moorlands council, which is not only in a different county but in a different region. The councils now have a shared management team and shared services, which shows the innovative ways in which local authorities can save money and preserve local services for residents.

George Hollingbery: Indeed, and I will return to a couple of examples of my own in a moment.

There is a real need for local councils to work much more closely with third sector organisations in their areas. The hon. Member for Bermondsey and Old Southwark (Simon Hughes) has already made the point that we must not encourage councils to take the easy way out, which is to save money by cutting direct grants to local charities.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I hear what the hon. Gentleman says about reinventing local government and finding new ways of doing things. I am still a local councillor, and I agree with him, but does he agree that front-loading the cuts when we still do not have the local government settlement, but when we have had the CSR, will make it harder to do those things? Councils will have less time and will have to go for easier, quicker cuts to balance the books.

George Hollingbery: Indeed. It is difficult to make plans at this late stage, but we have known about the cuts for some considerable time. Most councils have known for at least two or three years that the economic times are difficult. My local councils have been planning for such changes for two or three years. Frankly, it is no great excuse to say at this stage that we do not yet know the level of the settlement. We all know—and we have known for a long time—that it will be difficult.

Gavin Barwell: Did not the previous Government's 2009 pre-Budget report set out clearly that public expenditure in unprotected Departments was going to fall by 25% over the course of this Parliament? Given that local government was not one of those protected areas, any local authority would therefore have been aware that such reductions were coming, whoever was in power.

George Hollingbery: My hon. Friend clearly demonstrates that there is no real excuse for local authorities pretending that we cannot do anything because we do not know

[George Hollingbery]

how big the cuts will be. Straightforwardly, we know that there will be cuts, and we know that they will be serious.

There are any number of innovative third-sector partners out there doing a fantastic job. I would like to pick just one example from my local area—although it works out of the constituency of the Financial Secretary to the Treasury, my hon. Friend the Member for Fareham (Mr Hoban)—which is the You Trust. I recently met Nicola Youern, who runs the trust. The You Trust has a fantastic way of dealing with new cases, which Hampshire county council brings to it, of difficult-to-house young people. The trust first asks, "What can we teach you to do for yourself?" and then asks, "What can we teach your relatives and friends to do for you that will stop us having to intervene?" The trust goes through that sequence of trying to help people, before saying finally, "The only way we can deal with this is through a public sector intervention." If there were more of that thinking across the public sector, we would get better results for less money.

I also welcome one or two changes that I think—I hope—will shortly appear in the localism Bill. The reporting changes are clearly very welcome. As the performance management portfolio holder for Winchester city council until recently, I was in charge of producing the statistics that we had to relay to central Government, almost none of which was used to create real change in the council but almost all of which were incredibly burdensome to collect.

Justin Tomlinson: Does my hon. Friend agree that the statistics rarely, if ever, matched what local residents said on the doorstep?

George Hollingbery: Indeed. My favourite was on the time taken to re-let a council house, whereby the better we did in re-letting a difficult-to-let council property the worse the statistic became, because of the longer average period for which we had not re-let the house. Every time we re-let a house that had been on the books for three years because it was in a poor condition, the worse our statistic became.

The work also involved a huge amount of management time. We had specialist employees dealing with just that issue and a specialist computer system just to monitor performance management, so I very much welcome rowing back the amount of information that local councils will have to report to central Government. I also became extraordinarily fed up with the number of strategies that we had to deal with, and I would very much welcome an assurance from the Minister that we will not have to do anything like as many of those, either.

I remember fondly the black and minority ethnic strategy for Winchester city council, an entirely necessary document.

Tom Blenkinsop: I hear the hon. Gentleman's comments about reporting by local authorities, so does he have any worries about the £500 rule, whereby anything on which a local authority spends more than £500 will have to be documented?

George Hollingbery: The accounts departments already record most of that information, so I see no great difficulty in councils reporting it more widely. It is already on the books, on computers and there to be reported.

Tom Blenkinsop: Will the hon. Gentleman give way?

George Hollingbery: If I may, I will carry on.

Strategies were piling up and gathering dust on shelves, but the black and minority ethnic strategy at Winchester city council was, I agree, entirely necessary in small amounts. We, like anybody else, had to be held to account for what we did in that area, but, despite only 1.5% of our population having that background, we were forced to put £50,000 into employing consultants, who produced an enormous great report telling us that what we did already was ôkay. That is the sort of imposition by central Government to which I hope the localism and decentralisation Bill will put an end.

The wretched Standards Board for England has also accorded a vast amount of work to local government, especially to its legal employees. The board has been used as nothing more than an excuse for the petty battering of officials and parish councillors throughout the country.

We can do more imaginative work in-house, as was said a moment ago. Winchester city, East Hampshire district and Havant borough councils now have a choice-based letting arrangement. That comment has been noted by Opposition Members, but I am sure that such schemes exist in many parts of the country. The arrangement has saved our councils an enormous amount, and we have achieved a better result for our clients. East Hampshire district and Havant borough councils share a joint management tier, and the same individuals hold all the senior management roles in the two authorities: there is one team for two different councils.

Hampshire county council now sends less waste to landfill than any other council in the country, and—furthermore—it generates power for 50,000 homes by incinerating the remainder. Hampshire built itself a new headquarters entirely without cost to the public purse, managed to halve its carbon footprint and is selling other Winchester office blocks that are redundant to its needs. It recently invested with the NHS in 10 state-of-the-art nursing homes, so it is no longer fined millions of pounds for being held responsible for bed blocking—another innovation whereby the council invested to save money. On top of all that, it has made £48 million in efficiency savings—I emphasise, real efficiency savings that can be counted—over the past two years.

I leave my final words to Simon Eden, chief executive of Winchester city council, who says that

"our approach in all this has been to avoid salami-slicing, and instead...re-design services, taking into account changes...made to performance reporting and inspection, planning and in other areas. We have also used that process to look at the best way of focusing on delivery of key priorities for the district, cutting out that which might be seen as lower priority."

I commend that approach to all local councils and hope very much that the House rejects the motion.

6.54 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): I am grateful for the opportunity to speak in this important debate, and it is good to follow a well reasoned contribution from the hon. Member for Meon Valley

(George Hollingbery), in which he made a number of interesting efficiency suggestions. All local authorities throughout the country need to think about the efficiencies that they can fairly and equitably make, but this debate is not about whether local authorities need to make them. It is about the way in which the funding settlement will be distributed throughout the country, and the unfair way in which it will impact on some of the most needy areas in the country.

It is unfortunate that we remain in the dark at this late stage of the funding cycle. The Minister complains that people are speculating about the final outcome, but this debate is his opportunity to tell us definitively what will happen and to reassure the House that the scenarios that the special interest group of municipal authorities, among others, has modelled will not come to pass. I am afraid, however, that in the absence of any hard answers from the Ministers, SIGOMA's analysis is a good one that will continue to gain a great deal of currency.

Barbara Keeley: Was my hon. Friend as surprised as I was to hear that the hon. Member for Bermondsey and Old Southwark (Simon Hughes) seems to have received from the Government reassurances that have been denied to the rest of us? I wonder whether the Minister is prepared to share the reassurances that he has given to that Member with other Members.

John Woodcock: Members from all parts of the House will have noticed that, and the Minister has an opportunity now or later in his winding-up speech to share that information.

The hon. Member for Bermondsey and Old Southwark (Simon Hughes), who resumes his seat as I speak, gave an eloquent speech in which he took issue with a number of his Government's key policies, but he fell into the trap that even the Secretary of State has fallen into. The hon. Gentleman said, "Wouldn't it be outrageous if any local council were to cut the budget of the voluntary sector to try and balance the books?" I say to him and the Minister, however, that local authorities are looking at the dire situation they face and the appalling decisions they have to make, and from the feedback, I have they do not welcome Ministers telling them what they ought not to do.

Christopher Pincher: The hon. Gentleman says that local authorities are worried. Perhaps Barrow and Furness is worried, but a cabinet member on the borough council in Tamworth, which is not a rich place or wealthy borough, says:

"We have been planning for a long time to cope with the spending round. The previous government gave with one hand and then took twice as much back with the other. So local government is accustomed to saving money. I am confident the councils services will grow despite reduction in grants, partly thanks to the new homes onus, removal of ring fenced budgets and less red tape. It is a careful balancing act but not one that will lead to massive service cuts. It is business as usual in Tamworth."

If it is business as usual in Tamworth, why not in Barrow and Furness—

Madam Deputy Speaker (Dawn Primarolo): Order. Interventions are supposed to be short—I have said that a number of times—and if the hon. Gentleman reads a very long quotation on to the record he is going to tend to get cut off before he makes his final point.

John Woodcock: I was getting worried, but thankfully there was a question in the last six words of that diatribe. Of course, as hon. Members would expect, I shall go on to talk about the particular difficulties that Barrow borough council will face in the months and years ahead. No one is suggesting that pain will not be felt right across the country. I have to say to the hon. Gentleman that, although every council knew that we were approaching difficult times for continued funding, local authorities have not been given enough time to plan for the front-loaded cut that it seems will be imposed on them. Such an approach will cut into areas that it would not have been necessary to cut if the process had been more spread out.

Bill Esterson (Sefton Central) (Lab): On front loading, Sefton council is facing £38 million of cuts in year one, which will decrease to £16.7 million in year two and £3.8 million in year three. It has been a hung council for 24 years and local councillors of all parties are used to working closely together and resolving such problems. However, they are now finding it incredibly difficult to do so. I hope that the Secretary of State will take on board the challenges that such councils are facing as a result of front-loading.

John Woodcock: My hon. Friend makes a very good point. His remarks illustrate that, with the top slicing of the formula grant and if the cuts are front-loaded—the Minister is welcome to make the announcement about that today and end the speculation—it will pretty much guarantee that the most deprived areas of the country, which most rely on extra support, will bear the greatest burden of the cuts.

Simon Hughes: On the voluntary sector grant, if the hon. Gentleman looks at the record, he will see that I did not say that such a situation would be outrageous. I was simply asking councils to be careful not to turn all the heat on to the voluntary sector, rather than looking first at themselves.

John Woodcock: The hon. Gentleman is quite right. I was actually paraphrasing the Secretary of State, who I believe said that local authorities would rue the day that they cut voluntary sector grants. I am sure that they will be delighted to hear how they should be balancing their books, given that the cuts are being front loaded so that a great proportion will fall in the next year.

According to the SIGOMA model, Barrow borough council, which covers the majority of my constituency, will receive a proportional cut in funding in the next financial year that will be exceeded by the cut in funding to only two other local authorities. Despite being in the top 30 most deprived council areas, according to the 2007 indices of multiple deprivation—and if the modelling is even close to accurate—Barrow borough council can expect to lose around 20% or up to 25% of its central Government funding next year. Relatively wealthier local authorities will have levels of cuts imposed that are far less than those that might be inflicted on Barrow borough council.

Although this is an Opposition day debate and many Labour Members have spoken with great passion about the huge damage that could be wrought on their

[John Woodcock]

constituencies. Government Members should be clear that this is not simply a partisan issue. Councillors from all parties are concerned about the potential cuts. I hope that the Minister is aware of a letter from the Conservative leader of Barrow borough council—perhaps he will confirm whether he has received it—who I think has written to him or to the Secretary of State to express his concern at the disproportionate cuts that will hit Barrow severely if what is proposed is followed through next week.

Tom Blenkinsop: Conservative leaders in Barrow and in Stockton and an independent mayor in Middlesbrough all say that these cuts are disproportionately hurting the north compared with the south. Does my hon. Friend think that the Secretary of State would consider those people to be the cigar-chomping communists that he talked about in a recent article in *Total Politics* magazine?

John Woodcock: I am not sure who the Secretary of State would consider to be a cigar-smoking communist. However, my hon. Friend makes a good point. It is not solely Labour councillors or Labour MPs who are speaking up about this matter and it is not just the north of England saying to the south of England that the present funding arrangements need to continue. We are making the case for the broad approach taken by the previous Labour Government. They recognised that areas where deprivation, poverty, unemployment or economic isolation are entrenched need extra resources to improve their situation and to grow the private sector in a way that all hon. Members want to see.

Geographical isolation has always posed economic challenges for the area of Cumbria that I represent. That is never more so than in periods of recession or limited growth. Savage cuts in funding to the local authority at such a time can only exacerbate those challenges. A vicious cycle will be created because not only will jobs directly provided by the borough council disappear—taking with them the multiplier effect that they have within the local economy—but the prospect for investment that will attract new jobs and businesses to the area will also go. Over the past decade, local authority funding has worked well in partnership with funding from the regional development agency to stimulate growth in the Furness area. The situation has not been perfect and we have wanted some things to be more efficient. However, there has undoubtedly been a balance positive over the past 10 years, and there are grave concerns about that being cut.

The people of Barrow are watching anxiously. The Government have imposed added uncertainty on the region through their delay of the vote on the Trident replacement project, which will sustain many thousands of jobs in Barrow's shipyard for decades to come. Such a severe cut to funding will strike a real blow to economic confidence in the area.

However, this is not simply about Barrow or any one area. The matter is also about more than swingeing cuts to local government funding on its own; it is about whether we make the ideological leap into a funding model and into a public policy world where the funding of local areas is blind to the real needs within those areas. Such a simplistic approach may be superficially attractive to some coalition Members, but they must know that the reality will be neither fair nor progressive. Such cuts will mean that the poorest areas of the country carry the greatest burden of cuts, while wealthier areas escape relatively unscathed.

There is still time for the Government to rethink such an approach. It cuts adrift the most economically vulnerable areas of Britain—Barrow is counted as one such area. These cuts would not only jeopardise economic growth in Barrow, but could lead to a situation where any recovery is geographically lopsided and passes by many of the most deprived areas of the country. If the Government want to prevent a situation in which one sector or one region overheats economically, they must think again on this.

I hope that they will listen to the strong calls that have been made in this House and by councillors of all parties across the country to think again about the settlement that they are about to impose—to think about its level, the way in which it is being front-loaded, and the fact that it seems disproportionately to hit some of the areas which, at this difficult time for the country, need our support the most.

7.10 pm

Andrew Percy (Brigg and Goole) (Con): I am glad to have caught your eye, Madam Deputy Speaker, so that I can contribute to this important debate. There have been many interesting contributions, on both sides of the House, in which Members have put the case for their particular councils and areas with some passion.

Before I came to this House, I served for 10 years as a city councillor. In fact, I was exactly one half of our group on the council—I doubled its size when I arrived. However, our lack of electoral success does not mean that we were not involved closely in running the local authority. Our council was originally run by Labour and then eventually became one with no overall control, so we were heavily involved in running it for several years.

We have heard some very thoughtful speeches today, particularly from the hon. Member for Bermondsey and Old Southwark (Simon Hughes), who made some sensible and interesting points. In relation to burials, I can certainly relate to the issue that he raised about people on different sides of the same street, in some cases, paying different amounts. Anything that the Government can do to alleviate that would be greatly appreciated.

However, some of the speeches have been more about creating and enforcing divisions where they may not exist, and that has not been helpful to the debate. Neither has the scaremongering that has occurred in some cases, although that does not apply to the hon. Member for Barrow and Furness (John Woodcock), who made a sensible contribution. That approach may get headlines in local papers, but it will not do anything to protect services, or do anything for the people who work in local government, many of whom are dedicated public servants.

Karl Turner (Kingston upon Hull East) (Lab): The hon. Gentleman referred to the contribution by the hon. Member for Bermondsey and Old Southwark (Simon Hughes); I, too, agreed with much of what he said. However, does the hon. Gentleman agree that, if

the hon. Member for Bermondsey and Old Southwark had started by saying that, during the election, his party agreed with the same deficit reduction policy as mine, his words might have been more plausible?

Andrew Percy: I am not sure how I am supposed to respond to that intervention, but I suspect that it has served its purpose. However, the hon. Gentleman's Front Benchers have told us absolutely nothing about what they intend to do. They cannot have a serious debate on any subject regarding public spending unless they come forward and say what they would do. All we know is that their plan is to protect local services. Is that still the case? If so, something else would have to be cut: is it to be schools or the health service? They have no credibility. It may get them a few cheap headlines, but it will do nothing to contribute to the debate about how we tackle the very serious deficit which this country faces.

Simon Hughes: It was unfair for the hon. Gentleman to be asked a question about what I said, so I had better give him the answer, which lies in something that he said earlier. He will know from his city council experience that when one is not running the show oneself, one has to work with others—by definition, one cannot get all one's own way. That is fairly obvious.

Andrew Percy: Absolutely. That is what we should be doing on an issue as important as this. We should all be working together on the whole way that local government is structured to try to change it for the better.

Tom Blenkinsop *rose*

Andrew Percy: I will give way in a moment to my train colleague; we sometimes catch the same train.

Lots of references have been made to going back to the 1980s, or to the 1970s and "Life on Mars", but some of the contributions have been like listening to "The Twilight Zone". In my 10 years serving as a councillor under the previous Labour Government, I seem to recall the picture not being quite as rosy as that painted by Labour Members. We have heard many comments about Conservative and Liberal councillors criticising this Government's settlement, although we do not know what it is yet. In my 10 years on the council, Labour, Liberal and Conservative councillors tended to criticise the settlement coming forward from any Government. That is the way of local government, largely because the formulae are so complex that there is always something that one is not happy with in any settlement.

When I was a local councillor, our authority went through a number of assessments, first, through the corporate governance inspection regime, and later through the comprehensive performance assessment regime. Labour Members cannot possibly be defending the millions of pounds that went into those schemes. I will explain what those schemes did to a city council such as Hull, which at the beginning of the Labour Administration had some of the most deprived communities in the country, and still had them 13 years later. If hon. Members want to carry out a value-for-money analysis of that, I will leave it to them to do so. The decisions that we were forced to take as a result of going through the CGI process cost our city council millions of pounds over those 10 years.

The council, which was Labour-run, was judged to be a failing council. There was some fair criticism, no doubt, but I do not know whether we needed the expensive regime process that came in to tell us that the authority was not necessarily being run as it should be. One of the most appalling recommendations that followed the CGI process was that we should appoint five corporate directors, but they were not to be employed on the same salary as our previous service area directors—no, we were to employ five corporate directors on salaries of £105,000.

Justin Tomlinson: Like my hon. Friend, I served for 10 years as a councillor. I fully echo his point, given the number of times that we were encouraged, following inspections, to spend huge sums of money on members of staff just to prove that we were heading in the right direction.

Andrew Percy: I thank my hon. Friend for that intervention. This is not something that my council experienced on its own—it happened across the country, as we know.

As I said, we were expected to pay our corporate directors a salary of £105,000, which most people in the city of Hull, and indeed across east Yorkshire and northern Lincolnshire, can only dream of. Then, in time, we had to appoint a new chief executive. Needless to say, they were not appointed at the same salary as the previous chief executive—there was a massive salary increase that had a knock-on effect on other local authorities in our area, which judged themselves against how much the neighbouring authority was paying. If we cannot get people to work in local government on salaries lower than that of the Prime Minister, we are doing something badly wrong.

I also well remember the settlements that we used to get from the Labour Government—it was a case of giving with one hand and taking away with the other. Nowhere was that more clear than in the best value process, which required us to measure 100 to 200 different things and report back to central Government. One of our best value performance indicators was to measure how many of our park benches had arms. I am sorry, but when I go drinking in the Dog and Duck, or in my real pub, the Percy Arms—*[Interruption.]* It is conveniently named. People do not come up to me and say, "Andrew, what we want you to do as a local authority is to measure how many park benches have arms." They want their council to be providing services—over the past couple of weeks, gritting, snow ploughing, and so on. They do not want it to be spending hundreds of thousands of pounds every year reporting back on such silly measures.

Jonathan Reynolds: Is the hon. Gentleman suggesting that local authorities should be subject to no inspection regime whatsoever?

Andrew Percy: No, that is not what I said. I am saying that local authorities should be subjected to an awful lot less inspection, and that we certainly should not be running around paying people fat salaries to go measuring how many park benches have arms. If Labour Members are seriously suggesting that they want to maintain that system, I will happily give way to the hon. Gentleman so that he can explain to my constituents why my local council should continue to do that.

[Andrew Percy]

We all understand that there has to be some measurement of public services, whether they are in schools, the health service or local authorities, but we have to consider the proportion of time, money and resources spent on that. Under the previous Government, it got completely out of hand—some of it was well meant, but it had unintended consequences. It was alleged at that time that money was thrown at some councils, but it was not always thrown to provide better services; often it was spent on employing more people to sit behind desks and measure things that the public would, frankly, not consider to be a priority. That is what happened in my authority in relation to councillor training. We were suddenly told, following our CGI and CPA inspections, that we had to spend more taxpayers' money on training councillors to do the job that political parties should ensure that they can do before they stand for office. That is why I refused to undertake councillor training—perhaps that says a lot about me.

One of the most ridiculous things that was produced by our council—no doubt by somebody on a good salary—was a guide to professionally appropriate language for councillors. At great expense to the taxpayer, we were issued with a guide to tell us that we must not call women flower, duck or love. If that is considered a good use of taxpayers' money, I am afraid that I am in a different camp.

My other recollection from the past 10 years serving as a local councillor is that, although everything was fantastic and rosy, as we have heard from Labour Members, there were considerable hikes in council tax. The last time the Labour party ran Hull city council, it raised council tax by 10%. If that is evidence of good central Government funding to some of the poorest authorities, I do not know what planet I have been living on.

There is a sensible debate to be had about local government funding, but today's attempts to create division are unhelpful. The hon. Member for Barrow and Furness made the point that I was going to make.

Tom Blenkinsop: I thank my fellow travelling companion, on certain days, for giving way. Labour Members are not coming up with scare stories. My information comes from the independent mayor of Middlesbrough and the leader of the Tory council in Stockton. We have also heard the example of the leader of the Tory council in Barrow. Those people have legitimate fears about the Government proposals. Yet again, we hear Back Benchers saying that they are aware of the situation, while the Minister says that he does not know what figures or information we are talking about. That only perpetuates the fears. Does the hon. Gentleman appreciate that?

Andrew Percy: One of the burdens of local leadership is to take the information that is provided and decide whether to perpetuate a possible myth that would cause hundreds or thousands of people to fear for their jobs or to disseminate the information differently.

Tom Blenkinsop *rose—*

Andrew Percy: I will not give way any more because I have detained the House already and do not wish to whine on for too long.

Division has been created today by the image that many Tory shire authorities around the country are about to get a windfall and are doing very nicely, whereas everybody else faces cuts. No doubt there will be the slaying of the firstborn and all the other extreme language that we have come to expect from Labour Members. Such arguments are not helpful. I represent Goole and East Riding, which have some of the most deprived communities in England. East Riding suffers from being part of a larger authority that has very wealthy areas, with the consequence that its funding settlement has been among the worst in the country for the past decade. The council has tried incredibly hard over the years.

Mr Watts: Will the hon. Gentleman give way?

Andrew Percy: No, I will not, because the hon. Gentleman has had a lot to say today.

As the hon. Member for Barrow and Furness said, large rural authorities, as well as having considerable pockets of deprivation, face other challenges that are not taken into account. One of my two authorities is the largest unitary authority in the country. It is time that we looked at the structure of the grants system and made it take account of issues of rurality. For example, we know that rural poverty is hard to identify.

If the hon. Member for Scunthorpe (Nic Dakin) speaks, I am sure that he will talk more about our Labour local authority, which seems to take a different line on the spending cuts. I will allow others to conclude whether that is for political reasons, given that there are elections next year. However, my Conservative-run authority of East Riding has accepted that it will be tough. It has made decisions to prepare for that over the past two years, because it has known that it is coming. It knew what the Labour party was saying about 25% cuts—some of the biggest cuts in history—coming its way, so it started to make decisions accordingly. Even after the comprehensive spending review, one of my local councils said clearly:

"The programme involved a carefully planned reduction in expenditure in response to anticipated funding cuts."

The council had been planning for the cuts already. Any half-decent leader of a local authority should have had that in mind, not least because they should have seen the previous Government's plans. It is nonsense suddenly to pretend at this late juncture that it is all wicked and terrible, that nobody could have seen this coming, and that it would not have happened in the strange world that the Labour party currently seems to inhabit.

I have highlighted some of the waste and inefficiency that I saw as a local councillor. There are some very good people working in local authorities and providing services. The challenge for local authorities is to navel gaze, to look closely at what they are doing at the moment and to decide whether they can do that better. I give way one last time.

Justin Tomlinson: Does my hon. Friend agree that the decision to publish expenditure over £500 will allow a greater number of eyes to look over the information and identify much needed efficiency savings?

Andrew Percy: Of course I agree. That can be done relatively simply through programmes such as Oracle, which my former council spent millions of pounds investing in—perhaps investing should be in inverted commas.

Karl Turner: Will the hon. Gentleman give way?

Andrew Percy: I will give way because we are near neighbours and I like the hon. Gentleman.

Karl Turner: I am very grateful. I am tempted to agree with some of the points that the hon. Gentleman makes, but will he be kind enough to admit that when he was a councillor in my authority, I never heard him complaining about the grants that he received from my party in government?

Andrew Percy: The hon. Gentleman has obviously never been to a Hull city council meeting. Forgive me; after he was selected, he did come along. The first hour of most council meetings tends to be spent railing against whichever Government are in power and saying, "We haven't got enough money. Can we have some more please?" I was no exception. I spent 10 years saying, "Wouldn't it be nice if we could get a bit more?" The serious point is that, whenever we put forward an alternative budget, it was fully worked out and contained huge savings on such things as building rationalisation.

Tom Blenkinsop: Cuts.

Andrew Percy: No, not cuts—building rationalisation. There appears to be an irregular verb: they make savings, we make cuts. Any hon. Member who believes that we can continue to fund local government at the same level as in the past couple of years is living in la-la land. Nobody with a serious agenda would suggest that.

I make one final plea to the Minister on the funding of fire authorities. I have the highest regard for the fire authority in Humberside. In the past couple of years, it has faced challenging times because of changes to legislation made by the previous Government. Although there is an acceptance that savings must be made in fire authorities, I urge the Minister to keep a close eye on them and to ensure that reductions impact on the front line as little as possible.

The message should go out to all councils that there are tough decisions to be made, but that they can be made in a way that protects front-line services if our local leaders are brave enough. Local councillors have the choice of whether to scaremonger and make political points in the run-up to next year's local elections, or, like my well run Conservative council of East Riding, to get their heads down, get on with it, make savings, but pledge to protect services.

Several hon. Members *rose*—

Madam Deputy Speaker: Order. May I remind hon. Members that some 13 Members still wish to contribute to this debate, and that the wind-ups are due to start at 9.30 pm? Out of courtesy to their colleagues, I therefore ask hon. Members to pay a little bit of attention to the clock and do the maths themselves, to ensure that everybody can speak, otherwise we will have to have a time limit.

7.30 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I am grateful for the opportunity to speak in this very important debate. I will echo many of the sentiments of my hon. Friends and of many council leaders of all political persuasions up and down the country.

The speed, depth, spread and front-loading of the Government's cuts to local government funding are unfair and unjustifiable. The devastating impact that they will have on the most deprived communities in our country, including many in my constituency, demonstrates that the coalition's pledge to

"ensure fairness is at the heart"

of its decisions is as phoney as the Liberal Democrats' pledge not to increase tuition fees.

The Government are using the deficit as an excuse to pursue their ideological aim of shrinking the state and destroying public services on which ordinary people rely. The Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill), certainly got it right when he said in the House on 10 June:

"Those in greatest need ultimately bear the burden of paying off the debt". [*Official Report*, 10 June 2010; Vol. 511, c. 450.]

The Government are balancing the budget on the backs of the poorest in our society, something that the Chancellor said he would never do.

In October's spending review, the Chancellor announced cuts to local council funding of £5.6 billion. Although that in itself might seem like a shocking figure to anyone listening to the debate, the biggest scandal of those cuts is in the detail. DCLG figures show that far from the cuts hitting all communities across the UK equally, some councils will not see cuts to their budgets. In fact, they will get an increase in funding.

Over the next four years, the worst-hit councils will be in some of the most deprived cities and communities in the country. Hastings, Burnley, Blackburn, Hull and Barrow, and Liverpool city council which covers my constituency, are all in the most deprived 10% of councils in the country, and those councils will have their funding cut by at least a quarter, some by as much as a third. That, as we learn from the figures available from the Library, is while two of the least deprived councils in the country, West Oxfordshire and South Cambridgeshire, will have an increase in funding of up to 37%.

It cannot be a coincidence that every single council forecast to see an increase in its funding of between 27% and 34% is Conservative-controlled—and that at a time when my constituents are learning that Liverpool city council estimates that the city will be hit with £1 billion of cuts over the next four years. I repeat that figure: £1 billion. It simply is not fair. That follows the 9% cut to our area-based grant that Liverpool sustained earlier this year, before the Budget—the largest of any core city across the UK.

My hon. Friend the Member for Liverpool, Walton (Steve Rotheram) articulately outlined the raft of cuts that Liverpool will sustain, which are in the process of being instigated. The truth is that we are not all in this together. The Government have a plan for unfair cuts that will support areas where it is electorally beneficial and hit those where it is not.

The Chancellor would have us believe that after the Government have cut back the state, making thousands redundant, the private sector will be there to move in and clean up the mess. If only it were that simple. The Government underestimate the relationship between the public and private sector. Far from increasing private sector demand, cuts to local government will damage

[Luciana Berger]

small and medium-sized enterprises that rely on local authority contracts. Some £20 billion of the local government procurement market goes to SMEs, and the Federation of Small Businesses has stated that many small firms rely on public sector contracts for 50% to 60% of their turnover.

In addition, the cuts will reduce consumer demand. In some parts of Merseyside, 60% of the work force rely on the public sector for their income. For every £1 that a local government worker earns in Liverpool, they spend 70p in the local economy. When public sector wages are taken out of our local economy, we will see local businesses close, a spiralling welfare bill and public services under strain because of underfunding. It is bad economics and bad government. The Government are hitting the poorest hardest and tearing the fabric of our society. What this country desperately needs is jobs and growth, and what the Government have chosen to do will lead to misery and despair for people right across the UK, particularly my constituents.

Simon Hughes: I was perplexed when the hon. Lady said that the Library had stated what the outcome of the review was. I have just read the Library note again. She is entitled to her express her concerns, but she cannot suggest that the decisions have been made when we have not had the announcement yet. We have not even had the provisional announcement. Please will she just back off from all this shroud-waving stuff?

Luciana Berger: The figures have been arrived at from the comprehensive spending review, which is freely available to everyone in the House.

Robert Neill: It's not the same thing.

Luciana Berger: I can hear comments from the Minister, and if he would like to say that it is not true, I will give way to him.

Robert Neill: I do not often intervene when time is short, but if the hon. Lady is competing to make the most cliché-ridden speech yet heard in the debate, she might at least have the decency to accept that she is citing figures that have no verification at the moment. She shames her argument by the cynical way in which she makes it.

Luciana Berger: Will the Minister therefore reject the analysis of many organisations, including SIGOMA and the Library?

Tom Blenkinsop: I do not think the Minister can question the integrity of my hon. Friend's speeches, given the bicephalous nature of the debate. Back Benchers are saying that we all knew the cuts were going to happen, and that it was all on the cards, but at the same time the Minister is saying that there are no figures to draw upon.

Luciana Berger: I conclude by saying that I urge the Government to think again and not to introduce these savage, front-loaded, unfair cuts that will have a disproportionate impact on the areas and communities that need the most help.

7.37 pm

James Morris (Halesowen and Rowley Regis) (Con): It is a pleasure to follow the hon. Member for Liverpool, Wavertree (Luciana Berger).

As other hon. Members have remarked, the debate comes at a crucial time for local government. Many local authorities have been preparing for these tough times because, as others have pointed out, if there had been a Labour Government there would probably have been cuts of about 20 to 25% in local government anyway. Responsible local government leaders and chief executive officers have been making plans over the past two years to deal with the overall fiscal situation that we face. In my previous capacity before coming to the House, as chief executive of Localis, the local government think-tank, I worked with a number of local authorities across the country that were already beginning to make strategic plans to cope with the situation. They knew that whatever the outcome of the general election, there would be significant service transformation.

I think we would all agree that the outcome of the comprehensive spending review is a tough settlement. As has been pointed out, we do not know the exact figures that the Minister will reveal next week, but we know they will be tough. However, the review also provides local government with a serious opportunity to consider how it can transform its services and improve its service delivery.

Some Opposition Members have touched on the hypothetical distribution of the spending cuts around the country and questioned their potential fairness. As the hon. Member for Bermondsey and Old Southwark (Simon Hughes) pointed out, the way in which the formula grant is calculated is very complicated, and we would all agree that for many years it has been thought to be completely lacking in transparency. I agree with him that there is an urgent need to reform how we calculate the distribution. In fact, in the last Parliament, the Communities and Local Government Committee recommended that the Government increase the transparency of the existing grant allocation process. I hope that will form part of the Government's review of local government finance, because more transparency in the allocation process is critical.

I represent a constituency that straddles two metropolitan authorities in the west midlands—Dudley and Sandwell—one of which is Conservative-controlled and the other is Labour-controlled. My central focus is to ensure fairness in the grant allocation process. However, there is a discrepancy between these two metropolitan authorities. Dudley metropolitan council receives £60 million less funding than Sandwell metropolitan authority. They have similar levels of population and deprivation, yet there is a £60 million discrepancy. I am not making a value judgment about either authority; I am simply saying that we need to get to a point where this grant allocation does not throw up such significant discrepancies, not just between metropolitan boroughs and the shires—that has been debated tonight—but between metropolitan authorities within particular regions.

Funding shortfalls were not the only legacy that Labour left the country. As my hon. Friends have argued, the previous Labour Government kept local government on a tight leash through centralised control and regional bureaucracy. The changes implemented

over the past 13 years have stifled innovation locally, and given local government and communities the feeling that they have limited control and ability to make decisions and effect change. Unaccountable quangos, such as the Standards Board for England, the regional development agencies, including Advantage West Midlands, and the regional spatial strategies, all contributed to this feeling, and I am pleased to say that they are all on the way out. Removing those unelected, unaccountable and unwanted regional structures and bodies is a first step in a vital development for a new era of local government.

Tom Blenkinsop: What will areas without a local enterprise partnership do to get money through the regional growth fund?

James Morris: They will need to make clear arguments to the Department for Business, Innovation and Skills and the Department for Communities and Local Government about why there should be a local enterprise partnership. However, local politicians should be arguing in favour of making applications to the regional growth fund because, even outside the LEPs, businesses, the voluntary sector and local authorities can make applications to the regional growth fund.

Local authorities will now be given back responsibility from central Government to start making real decisions about how they spend their money. As the Secretary of State said, the Government have freed up, or un-ring-fenced, grants worth £7 billion from 2011-12 onwards, which the Local Government Association described as

"an important move towards a simpler funding mechanism that will help councils do their job".

However, that should be only the beginning. There is huge scope for the introduction of other levels of financial innovation in local government. For example, hon. Members have talked about the potential productive use of tax increment financing. This lack of ring-fencing, this devolution of financial autonomy to local government, should be only the beginning. We also need a systemic reform of the services delivered and a re-evaluation of how local people can influence the way services are run. This transformation, with the coming presentation of the localism and decentralisation Bill, is at the heart of Government policy. A bottom-up approach to service provision is vital.

Graham Jones: Does the hon. Gentleman agree that a bottom-up process involves cost, and local authorities are worried now that such a process, which he has suggested, will double the pain following the cuts in the comprehensive spending review?

James Morris: Over the past 13 years, as I said, we have had centralised policy dictated from Whitehall. At a difficult time for local government, it is even more important that we invert that pyramid and have a bottom-up decision-making process in which local government can take more control of its decision making.

Mike Freer (Finchley and Golders Green) (Con): Does my hon. Friend agree that top-down policies cost more than bottom-up ones? Under the previous Government, local authorities had more than 1,000 targets to report on, which cost my local authority £3 million a year.

James Morris: My hon. Friend makes a very good point. What he says is true.

The Government have asked local authorities and businesses to join forces in a bottom-up process, where they feel it appropriate, and through local enterprise partnerships, rather than top-down, regionally imposed structures. That will allow for economic development to be based on genuine local economic geographies, for investment to be tailored to local areas, and for LEPs, such as the one I have been advocating for the black country, to focus with laser precision on the particular issues affecting the 1 million people living in the black country.

That also illustrates that local authorities are capable of working together, often across political boundaries, to deliver services more proactively. In my region, Dudley, Sandwell, Wolverhampton and Walsall councils are demonstrating, by working together on shared services, such as information technology, trading standards, legal services and human resources, that we can save money and deliver better services for local people. That is happening across the country. For example, Hammersmith and Fulham, Westminster and Kensington and Chelsea councils are implementing a substantial shared-services programme across education and other services.

Andrew Bingham: My councillors would not forgive me if I did not intervene at this point. I have mentioned High Peak borough council already, but with its shared services with Staffordshire Moorlands district council, we saved more than £1 million last year, and will save a further £1.27 million this year. That exemplifies my hon. Friend's point.

James Morris: My hon. Friend makes a very good point. This is the future of local government—working together, shared services and making savings, while delivering services more effectively.

I have long been an advocate of place-based budgets, which were touched on at the beginning of the debate. To give the previous Government their due, they introduced the Total Place pilots. Regrettably, it took them12 years to come up with the idea, but it was a good one. The implementation of place-based budgeting can radically change how services are delivered by pooling funding from a wide range of public, private and third sector organisations to tackle specific issues. I welcome the fact that the Government have announced that initially 16 areas will focus on the broad theme of helping families with complex needs. That model will help to make the delivery of services cheaper and allow for an improved focus on the needs of specific communities and individual users. This model needs to be expanded to encapsulate further policy objectives in the medium term. The Local Government Association estimates that doing so could save £20 billion a year by the end of this Parliament.

There are examples up and down the country of local authorities taking up this strategic challenge. As the Minister remarked, the recent announcements on public health demonstrate new roles and potential funding streams for local authorities that are also very welcome. However, that is not the only way to improve service delivery. The Cabinet Office recently introduced a right to provide for employees of public sector organisations. What this will mean in practice is the extension of

[James Morris]

mutuals and co-operatives in the provision of public services. The people at ground level often have a knowledge and understanding of the issues at hand, and they will now be able to start delivering services better. I am keen to see this model progressing in my constituency, and I can see the potential of mutuals in offering local services and youth services. The Government are also committed to providing local people with specific powers to improve their local area. These include devolving planning reform back to communities from unaccountable regional quangos, allowing local people to elect their own mayors and police commissioners, and extending the use of local referendums.

In summary, therefore, power is being handed back to local authorities, public sector workers and local people. Unlike what happened during the past 13 years, this will be real localism in practice, not the top-down centralisation that was passed down by the previous Labour Government. Such an approach can lead to a more personalised approach to the delivery of services, greater accountability and transparency and, crucially, given the economic mess, real savings, which the Local Government Association estimates could be as high as £20 billion over this Parliament. Local authorities need to see the current situation as an opportunity fundamentally to rethink how they deliver services, so that they can begin to do so more efficiently, more effectively and in the interests of the local people they serve.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. There is still a large number of Members wishing to participate in the debate, so I am going to impose a time limit on Back-Bench speeches, to see whether we can manage to get everyone in. We still might not, and the time limit might need to be revised. I should like to inform each Member that there will be a nine-minute limit on each speech, and that will be reviewed if there are still a lot of Members waiting to speak.

7.52 pm

Mr Dave Watts (St Helens North) (Lab): I am delighted to be able to take part in this important debate. I do so not only as the MP for St Helens North but as the chairman of the all-party parliamentary group on the special interest group of municipal authorities. Several Members have referred to the SIGOMA document, and I would recommend reading it to anyone. I know that the Minister has already read it. I would also recommend that he read the document produced by the Alliance group entitled "Hard Times", which will nail some of the lies we have heard over the past few hours. I know that the Minister has read it, but I doubt whether the Secretary of State has done so.

Before I move on to my main points, may I say to the hon. Member for Bermondsey and Old Southwark (Simon Hughes) that it will not wash if he tries to take no responsibility for the cuts that are heading his constituents' way? He said he did not want to see cuts in voluntary sector budgets, or in leisure and youth service budgets. He said that he did not want to sell the family silver or sell off any assets, but he is going to see cuts in all those areas because it will be impossible for his council to make the cuts that are heading its way without doing many of the things he does not want to do.

When the Minister responded to an Adjournment debate recently, he got very excited. I notice that he has also got very excited today. May I suggest that he keeps cooler than he did in the previous debate, because a number of us are worried about his health, and we do not want anything to happen to him before he has the chance to sum up the debate?

I should like to touch on the background to the cuts, the fairness of the last round of cuts, and the question of who will be affected by the cuts heading their way. I should also like to address the key issue of what the Government need to do to prove their own message that we are "all in this together". I want to make it clear from the start that, like my own party, I accept the need for some cuts in public expenditure, and that local government had to make its contribution. There is no doubt that we had to reduce the deficit, and my party has been responsible for setting out how we would do that. The difference between us and the Government is the mix of tax increases and cuts. We also have a different view of the period over which the cuts packages should be spread. We would spread them over a much longer period than the Government propose, and we would not front-load them. We have heard a lot about front-loading today, and it has been suggested that the Secretary of State is going to review the position on that. The reason that most local authorities and communities are concerned is that the spending review made it quite clear that that is what the Government intend to do. I suspect that they are now trying to retreat from that position, knowing the implications of their proposals in their own areas as well is in ours.

My constituents accept that there has to be some pain and some cuts, but they do not like the fact that this same Government, while making dramatic cuts in public services, have allowed the banks to continue to pay massive bonuses to their staff and given the banks—the banks again!—a £1 billion tax cut. The Government have also now reneged on a promise to publish the details of those bankers who were being paid large bonuses. My constituents accept the need for cuts, but they do not think that the Government have been fair with them. They want to see a much fairer package of cuts and tax increases to address the plight we are in. My constituents—and, I suspect, those of the Minister—know who is at fault for the present financial crisis: it is not the previous Labour Government but the bankers, here and across the world, who turned the world economy upside down some months ago. It was only the straightforward action of the previous Labour Government that prevented the kind of recession that we saw under the last Tory Government.

What do my people want? They want a fair system of cuts. If there are to be cuts, they want to ensure that they are fair. They want to ensure that the most deprived communities and the most deprived people are protected, and that the cuts that have already been made in our communities are taken into account in any future round of cuts. They also want the cuts to be adjusted so that councils—not just ours but Liberal and Tory councils as well—will have the time to adjust their budgets. That means that we want to see more back-loading, rather than the front-loading that the Government are proposing.

It has been suggested that this is also about efficiency. The Secretary of State is quite good at putting out stories about the cost of plant pots in the Department for Communities and Local Government but, quite frankly, that is a smokescreen. These cuts will hit some of the most well run local authorities, including my own. My local authority, of which I was leader until I came into this place, is a five-star authority. It has excellent education and social services, and other council services. It has kept its council tax increases below the rate of inflation for the past 10 years, yet it faced massive cuts in its budget in May. It now faces cuts of up to £12.7 million in 2011-12, and £24 million worth of cuts in 2014-15. That nails the lie that it is only the wasteful councils that are being hit; some of the most efficient and effective are also being hit. My council will experience great difficulty because it is already efficient. Councils that are already efficient are going to have to cut services to the bone. Some of the comments from those on the Government Benches have suggested that their councils could make some savings, and I suspect that that is because they are very inefficient, compared with authorities such as my own.

I want to comment on the fairness of the proposals. I think that the Secretary of State has suggested that my contributions hark back to the 1970s and 1980s. The only good thing about being my age is that I have some experience of the previous Tory Government. I was the leader of the council when it lost £13 million and had to find a way of implementing that cut overnight.

I raised Westminster council with the Minister on last Tuesday's Adjournment. It has been in contact with and written to me because it is upset about some of the things I said; I will respond in due course. Under the system that was in force under the previous Tory Government, if St Helens had received the same level of grant as Westminster, we would have had no cuts whatever, we would have had to pay no council tax whatever and we would have had enough money left over to send every one of my constituents to Spain for a week. That shows the level of fiddling that went on under the previous Tory Government, so we will take no lectures from this Government about fiddling the system.

The Minister said that we were going to cut the neighbourhood renewal fund—that is not true, and Government Members know it. The only argument they have relates to the three-year review, but all the grant systems were for three years. That did not mean that we were going to do away with the fund; it meant that we would reassess local government spending over the next three years. I am prepared to blame my own party for not introducing the changes as quickly as it should have, which meant that millions of pounds from our authorities went to some of the richest areas, including Westminster and many others. We did not move fast enough—

Madam Deputy Speaker: Order. Time is up.

8.01 pm

Gavin Barwell (Croydon Central) (Con): Before I was elected to this House, I had the privilege to serve as a councillor in Croydon for 12 years, to be a cabinet member responsible for a number of different service areas, to work with senior council officers and to meet council staff who were delivering services on the front line. I completely understand their feeling that it is deeply unfair that some of them are going to be asked to pay the price with their jobs of dealing with the mistakes made in our banking system and the mismanagement of the public finances by the previous Government.

I speak in opposition to the motion not because I think the concerns expressed by Labour Members are misplaced or phoney—Members have spoken with passion about this issue—but because they fail to recognise that the Government's approach is very similar to the one a Labour Government would have adopted. In opening, the shadow Secretary of State said that the coalition Government were going deeper and faster than a Labour Government would have gone. Let us take each of those assertions in turn.

The suggestion that we are going deeper is palpably untrue. Labour policy was to get rid of the structural deficit over two Parliaments; the coalition's policy is to get rid of it over one Parliament. There is no difference whatever about the size of the cuts; there can be no argument whatever about that.

As for speed, let us look at the previous Labour Government's policy, as set out in the pre-Budget report of 2009. According to the Institute for Fiscal Studies, it meant reductions in non-protected Departments—the Labour Government were going to protect health, education and Sure Start—of 25%. If we look at what the coalition Government have delivered, because of the cuts in the welfare budget, some of which Labour Members perfectly reasonably wish to oppose, we see an aggregate 19% reduction in the non-protected departmental spend. In other words, the pace of change for cuts in non-protected Departments in this Parliament is slower under the coalition Government than it would have been under the plans of the previous Government.

The first two lines of the Opposition motion seek to make capital out of the fact that the reductions that local government is being asked to make are larger than those demanded of central Government. It is nonsense for the Opposition to criticise us on that basis because Labour policy was to protect the NHS, the Department for International Development budget, the schools budget and the Sure Start budget. If they are to be protected, it is an obvious consequence that the average reduction across central Government is going to be lower than the reduction in local government, which the Labour Government had not chosen to protect.

I have been a Member for just over six months. During that time, I have had to support a number of measures that, in an ideal world, I would not support. Time and again I hear from Labour Members that they do not agree with our proposals: they do not agree on tuition fees; they do not agree on the mobility component for people in residential care who receive disability living allowance; they do not agree on local government funding; and they do not agree on cutting the teaching grant for universities. It is all very well for Labour Members to tell us all the things with which they do not agree, but that has no credibility unless alternatives are advanced. I have yet to hear from the Opposition one area where they believe that the coalition Government are not cutting enough. They have not told us that instead of reducing local government spending or teaching support for universities, alternative cuts can be made that the Opposition are prepared to announce. Until they come up with an alternative package, their objections have no credibility.

Tom Blenkinsop: One small but significant point relates to fiscal policy and taxation. This Government have made large promises about imposing greater levies on bankers and other such people, but they have quickly run away from them. Labour Members would look to have a far more stringent regime to hold those types of people to account.

Gavin Barwell: I note that the coalition Government introduced a levy on banking, which the previous Government did not. If the Opposition want to propose tax increases additional to those announced by the Chancellor, we should hear what they are and discuss them. That is a perfectly reasonable basis on which to debate.

The second main theme in the motion is fairness, which is a perfectly reasonable test. I would like to raise two issues. First, Labour Members have quoted figures, expressing the concern that the authorities most dependent on Government funding will face the most significant reductions in grant. Conservative Members have been concerned about some of the phraseology used, particularly about the implication that these decisions have all been made. They have not. There is certainly an issue that the Government need to look at, and I believe that the Secretary of State said that he was aware of it. If we just salami-slice the Government grant going to each council, that will have a differential impact on the spending power of local authorities around the country. In the interests of fairness, the Government need to address that problem. Labour Members, however, should not have given the impression that these things are all done and dusted; they are not. We have not yet had the statement, and the Minister is not in a position to give the assurances he has been asked to provide until that statement is made.

I would also like to look at the issue of fairness as it relates to the record of the previous Labour Government. I want to make a non-partisan point. People allege that money was shunted from the south to the north, or that under the Tory Government Westminster and Wandsworth were favoured. The reality is that the system is completely broke. If we look at the figures for unitary councils, the London boroughs and the metropolitan districts under the last five years of the Labour Government, we see that about 30 authorities—my authority was one of them—had a real-terms cut in funding of more than 2%. It is not all outer London boroughs, however; it is a completely random mix of authorities, including places such as Newcastle-upon-Tyne and Liverpool.

At the other end of the scale, we see that Blackpool received an increase of nearly 11%, Telford and the Wrekin 13.3%, Torbay 15.7%, Blackburn 16.7% and Rutland an incredible 25.8%. It is very difficult, I think, to discern a pattern between those authorities. I would like the shadow Minister to explain in her summing-up speech why Croydon gets a 3% real cut, but Rutland gets a 25% increase. *[Interruption.]* This happened under the Government of the hon. Member for Worsley and Eccles South (Barbara Keeley), so, with respect, the explanation should come from those who were responsible for the changes.

In applying the reductions, it is important that the Government take account of the authorities that have already seen a real-terms reduction in their funding, as opposed to those that saw a period of largesse under the previous Government. I happily acknowledge that local government as a whole did see real-terms growth in funding under the previous Government, but that did not apply to all individual local authorities. It seems wholly unreasonable to impose the same reductions on authorities that have already had to make cuts in comparison with those that have seen significant increases in funding.

I reiterate the point made in the Local Government Association briefing, which many Members will have received. The same point about fees and charges was made by the hon. Member for Bermondsey and Old Southwark (Simon Hughes). For a number of local authority services, the charges that local authorities are allowed to levy by statute do not cover the costs. One way for the Government to help local authorities is by giving them the freedom to increase some of those charges. None of our constituents will welcome paying higher fees, but they might well prefer that option to reductions in the vital public services on which they depend.

Let me pick up another point made by the hon. Member for Bermondsey and Old Southwark. He was very concerned about cuts in non-statutory services such as support for the voluntary sector and youth services. My local authority is having to consider those services. I hope the Minister will tell us that the Government will think again about what is statutory and what is non-statutory. Surely if we all now believe in localism and believe that local authorities are best placed to make choices, we should allow authorities much more flexibility in delivering services locally. If we do not, many of them will not be able to touch a large chunk of their spending because it is statutory, and the reductions will be concentrated in the voluntary sector.

In a report published before the general election, the Institute for Fiscal Studies spoke of measures to reduce the deficit. According to the IFS,

"most likely it will come from a combination of reductions in the quality and/or quantity of public services provided and families being made directly worse off financially through cuts to welfare benefits and increases in tax. Efficiency savings alone will not be enough to fill the deficit."

Members on both sides of the House must stop pretending that all that can be done easily. Whoever is running the country—whichever party forms the Government—the job of deficit reduction will be painful. We should stop engaging in a feigned debate about whether it is ideologically based, because it would confront whoever was governing the country. We should focus on the changes that Government can make to support those in the front line who are having to make difficult decisions so that they can do the best job in protecting the vital public services on which all our constituents depend.

8.11 pm

Alex Cunningham (Stockton North) (Lab): We have already heard from many of my hon. Friends about the impact of local government cuts on their constituents and local authority workers. Let me begin by paying tribute to those workers, who deliver services not in return for salaries of more than £100,000 or more than £25,000 a year, but in return for salaries of less than £15,000—and, in the case of the many who are women, less than £10,000 a year.

Let us be clear about the fact that, despite what the Government say, these cuts will affect care for the elderly and children. They will affect schools and education,

thus ensuring that our children do not have the best start in life. There will be safety reductions as funds for our fire brigades are devastated. There will be reductions in street cleaning, closures of swimming pools, art galleries and leisure centres. There will be cuts in the funds of voluntary organisations that support some of our most vulnerable people, cuts in the funds to support investment—including inward investment—in jobs, and cuts that will cause the gap in life expectancy between our most deprived and our most affluent areas to continue to widen, rather than continuing to close as it did under the Labour Government.

Let me say something about how the cuts will affect people in Teesside, and particularly in the borough of Stockton. Before becoming a Member of Parliament, I served as a councillor on Stockton borough council. I know from direct experience that Stockton has an excellent local authority that provides first-class services for local residents. I have seen the successes that it has achieved. I have seen improvements in education and care for the elderly and the young, improvements in housing, the development of Sure Start Centres supporting not just vulnerable families but working families throughout the borough, and the development of the arts with the international riverside festival and our celebrated ARC arts centre. The council has a "can do, will do" approach, and it is worthy of its "council of the year" title. I am confident that it will work hard to minimise cuts in front-line services and redundancies, but given cuts of this scale, even the best local authorities will struggle.

I am told that 50,000 people working for local authorities throughout the country have already been told that they could lose their jobs. That number will inevitably rise to the half million predicted by the Government, although I know that they are now trying to talk that number down. The Teesside *Evening Gazette* reports today that no fewer than 900 employees of Redcar and Cleveland borough council—a relatively small authority—have been given notice that their jobs are at risk, just 20 days before Christmas. Of course, the people who rely most on council services tend to be those on lower incomes. Why, then, are councils such as Hartlepool, in Teesside, and South Tyneside facing cuts of between 25% and 29% when South Cambridgeshire and West Oxfordshire councils are receiving increases of up to 37%?

In March this year, the Chancellor told the *News of the World* that he would not balance the budget on the backs of the poor. Now that his party is in government, he persists with the mantra "We are all in this together". I do not think that many people, regardless of political persuasion, take that claim seriously.

It is not only the Conservatives who have back-tracked on their promises. The Liberal Democrat Manifesto said:

"Our core aim is to hard-wire fairness back into national life."

I do not think that anyone working for a local authority who loses a job as a result of these cuts will think that there is anything fair about it, and the same applies to those who lose vital services.

Angie Bray (Ealing Central and Acton) (Con): Even some of the hon. Gentleman's colleagues have told us during the debate that they accept the necessity for cuts. We have seen the figures in the Labour party's "pre-manifesto", which revealed their own plans for the non-protected Departments: cuts of about 25%. Why does the hon. Gentleman persist in claiming that it is only the Government parties who propose cuts?

Alex Cunningham: We accepted that there would be the cuts outlined by my right hon. Friend the Member for Don Valley (Caroline Flint). However, we believe that cuts must be fair, and that cuts as deep and as fast as those proposed by the Conservatives and Liberal Democrats must be questioned.

I hope to secure a Westminster Hall debate in the new year about the impact of cuts on the voluntary sector, 32% of which relies on local authority funding. I know that many excellent third-sector organisations fear that the cuts will severely limit their work. Stockton is trying hard to protect our third sector, but will face real challenges. I should be interested to know how cutting funds for those organisations will do anything to further the big society programme on which the Prime Minister is so keen. The third sector is the big society in action, and exposing those groups to possible cuts seems incoherent given the emphasis on big society and localism.

Of course, we must not consider local authority cuts in isolation. PricewaterhouseCoopers forecasts that for every job lost in the public sector, another will be lost in the private sector. That means 1 million lost jobs. One industry that we know relies heavily on the public sector is the building industry, which has already lost out in Teesside as a result of the cancellation of the Building Schools for the Future programme, as well as the scrapping of the new hospital to serve the North Tees and Hartlepool area. Spending by local authorities boosts the economy, and there is no doubt that the cuts will indirectly make life difficult for many local businesses.

Bob Blackman (Harrow East) (Con): Will the hon. Gentleman give way?

Alex Cunningham: No, I will not.

Let me finally say something about the Cleveland fire service, which is critical to the safety of people in the area that I represent. I am told by the Fire Brigades Union that 68% of Cleveland's funding comes from a central Government grant. Given that that grant is set to fall by 25%, the chief fire officer is seriously concerned about the possibility that lives will be put at risk by the cuts. The seriousness of the situation is exacerbated by the fact that our local area has large numbers of high-risk COMAH—control of major accident hazards—sites owing to chemical and other manufacturing in the area. The Minister responsible for the fire service has already refused my request for him to visit Teesside and see the problem for himself. I have written asking him to meet local MPs across the political spectrum, as well as representatives from Cleveland fire authority, to discuss the issue here in Westminster, and I hope that I shall receive a positive response.

These cuts place our communities at real risk, and I hope that the Government will think again.

8.18 pm

Brandon Lewis (Great Yarmouth) (Con): Our residents across this country have been losing interest in local government for years. Turnout in local elections, and particularly local government by-elections, shows that many people are not interested. From speaking to residents, I have learned that the biggest reason for that is that over the past 10 years and more councillors have often, rightly, said that they cannot deal with a given issue because it is under central Government control.

[Brandon Lewis]

It has already been said in our debate that the previous Government gave money but it always had strings attached. That was the problem. During the 11 years I spent as a councillor and council leader while a Labour Government were in office, my experience was never that we had plenty of money or that we could ever do things without strings attached. Every single time we looked at doing something for our residents, we had to go through some aspect of the tick-box culture. There had to be a consultation on a proposal, for instance, even if that proposal had been in the local election manifesto, or we had to do something differently to make sure that we kept one quango or another or the Audit Commission happy, because officers' views were often that if we did not do so, we would be punished somewhere else, with a different grant being cut or changed in a different area.

I agree with my hon. Friend the Member for South Derbyshire (Heather Wheeler) that a key problem is the stranglehold that has been put on local government for years. I also agree that the fact that the previous Government held local government to ransom over their finances made it almost impossible for local councils to say that they were able to do very much directly for their local residents, even in areas where they were not struggling. That was because they were having to find money to cover bus passes, swimming pools or licensing. They were also then being handcuffed in respect of planning rules.

It has been a difficult time for local government and I understand why residents have started to switch off and disbelieve what they read in election manifestos. After all, under Government statutory requirements those in local government who were working to an election manifesto would probably still have to consult on any measures afterwards, so what was the point of the manifesto?

I hope that the ending of ring-fencing, the freeing up of local government and the localism Bill when it is introduced will result in councils being able to go back to concentrating on actually delivering for residents, instead of ticking these boxes, which are so often caught up with a financial string. If that happens, elections will actually matter again and people can believe that when they vote for a councillor and a party in a local election, that party can deliver on its manifesto. People will be able to expect to have local manifestos on which they can hold the party and council to account, rather than just always being fobbed off with, "We can't do that, we are restricted on this, or there's got to be consultation on that." That is a huge issue for local government. I sometimes think back to my time as a councillor and the amount of officer time that was spent on ticking these boxes and on putting bids together for money we may or may not get, depending on which box we tick.

Graham Jones: Is the hon. Gentleman talking about the regional growth fund?

Brandon Lewis: I am talking about a whole range of funds across the board. We would have officers spending a huge amount of time on every single matter. That was even the case in respect of initiatives like the comprehensive performance assessment. The sums involved would be up to £250,000 a year. If we added up the amount of officer time spent in that way, we would find that local government could save a huge amount of money. I know that from speaking to my local authority in Great Yarmouth. I am proud to be able to say that, when the announcements were made earlier in the summer, our managing director and councillors said, "We can deal with this." We were one of the hardest hit local authorities, but they felt they could deal with it. They are now, rightly, looking at how they might share services.

One of the problems we had with the previous Government was their approach. They had to have estimates—even for unitary government. We debated that topic in the Chamber just a couple of weeks ago. The argument was that there could be a couple of million pounds a year in savings from having unitary authorities for Norfolk and Exeter, but one of the problems in respect of Norfolk was that we would still keep the county council and all the councils we had, and just convert one city council to a unitary. I would, therefore, still dispute whether there would have been any saving in officer money and time from moving to unitary status. However, the previous Government wanted to do that in the belief there might be savings down the line, when in fact what we are now seeing in Norfolk is authorities coming together to look at how they can share services, both county with borough and district councils and district councils across each other.

We are considering some of the savings that have to be made and—as other Members have commented—the salaries earned by some people in senior management in local authorities. We should also consider sharing services and focusing on local accountability, with members representing their residents. It should not be based on where a person's office might be or whether they work in one, two or three authorities. They are there to deliver a service, not tick a box for Government. If we were to do that, we could start seeing huge savings across the board.

The key is getting back to what local authorities are for. I fully support the Government's position and will be voting against the motion because it harks back to the bad days of the past 10 or 15 years when Government held local government at arm's length but were then able to blame it for being unable to deliver because, as Labour Members have already mentioned, there were strings attached. Instead, we should set councils free and give them power not to be ring-fenced and to make their own decisions. That will make them more accountable—transparency is a huge part of this. People will then understand that their local authority is the authority responsible for specific areas, that it has the power to deliver and that it is accountable at an election, which is really what democracy is about. That would be a big step forward for local government.

I know that other Members are keen to speak, so I am happy to conclude on that point.

8.24 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): May I say to the hon. Member for Great Yarmouth (Brandon Lewis) that if he thinks that councillors had a bad time under the Labour Government, he really has not seen anything yet? I say that as someone who was a councillor between 1982 and 1998. I spent eight of those years in opposition and eight controlling the

council, with only two of those years under a Labour Government. I watched the poll tax come in and I watched what we had to do during those times, so I suggest that he has lived through a pretty easy time in local government. If he thinks that by not having to tick boxes constituents are going to come out to vote in local elections, he underestimates the need for all politicians, national and local, to engage with our electorate. I suggest that engagement with our electorate is the thing that matters.

Brandon Lewis: The point that I was making was that by not being focused on ticking boxes for central Government and quangos, councils can go back to focusing on delivering services for residents, and that is what matters.

Siobhain McDonagh: Perhaps now I should take the opportunity to explain to the House and the hon. Gentleman just why I am not sure that my local residents will feel exactly the same way. Most Members will not have heard of my local council—Merton. It is a quiet, low-profile London borough. It is not the poorest or the most exciting. It generally gets on with it, whether it is Labour or Conservative-run. It is a council that likes to sweep the streets, collect the rubbish and look after people as best it can. Its services are not perfect and could improve, but most of the time it does its best. I suggest that the same applies to most of the councils represented by hon. Members.

Merton council needs time to change and to get about sharing services, but that time does not exist if those spending figures are to be released next week. Next week, we will learn the figures and by 5 March my council has to say what its budget is for next year. If I know anything about local government, it is that huge reforms are not brought about in three months.

Merton council will have to make cuts of £24 million this year—that is for the cuts it anticipates and those it will have to make because of an expanding need for services, such as school places and care for the elderly. That is £24 million out of a budget of £150 million. The people on that council are not people who squeal and they are at a meeting tonight just trying to get on with it, but how will they do this? They have already identified £10 million of cuts this year, which is the largest figure ever at this point in a financial year for the next. They hope to get to a figure of £14 million by January, but the following £10 million will be really hard to find.

Bill Esterson *rose*—

Siobhain McDonagh: I cannot give way, because I do not wish to take up too much time—I hope that is okay. The people on the council are finding that task hard, not because they do not want to do it and not because they do not want to bring about shared services, but because they cannot do it in the time available. As they seek to cut that last £10 million, the only opportunities left for them are to go for public services, for the voluntary sector, for the youth service—even though they do not want to do so—for personal care for elderly and disabled people and for the costs of special needs transport. That is because those areas are traditionally where councils have gone when they need to make cuts quickly. Those cuts will be devastating and what we are doing should not be about that.

I hope that the Minister will have taken that on board in any work he has been doing behind the scenes over the past few months with his fellow Ministers and will give councils such as mine time to bring about changes in their services. There is this idea that, somehow, boroughs all over the place will want to work with Merton council. I do not think it is Merton council's fault, but not too many want to come in for conversations about that. This year, the council will be combining with another council and one big department to save £2.5 million. We want to do more of that, rather than the terrible things that I have just suggested, but we do not have the time and the ability to do so. Councils simply do not have the capacity not only to run services but to do the sort of consultation and detailed legal work that is needed. Their only other recourse is to go out to private consultants and the cost of that is wrong and prohibitive at a time when every pound matters.

This year, Merton will share a head of legal and civic services with Richmond upon Thames council. I hope that that will be the stepping stone to more joint working over the coming years, but in an effort to make the cuts this year all our councillors will do things that we would rather they did not. Our constituents will ask us to defend them at the same time as our Labour groups and our Conservative groups will say to us, "Don't have a go at us. It's you lot who decided this."

We are going through a very difficult time and I plead with the Minister to give councils as much time as possible to reform their services, to consider how they can do things and to consider being ingenious. The idea that many of them have been doing nothing year in, year out and that they have not been making cuts already is completely not the case.

Let us consider adult social care. I do not know how other hon. Members feel, but I rage when I hear about the £2 billion fund because personal care is the biggest budget, outside the schools budget, that local authorities have to cut. That £2 billion is available because councils will be doing some pretty awful things, such as considering older people's eligibility for domiciliary care or to go into homes. That is what we are facing. If we have the opportunity, we need to stand back and give councils more time to reform and to do things differently. Otherwise, the choices are particularly painful—not for us, but for some of our most vulnerable constituents.

8.31 pm

Bob Blackman (Harrow East) (Con): It is an honour to follow such a thoughtful speech as that made by the hon. Member for Mitcham and Morden (Siobhain McDonagh). Before I came to the House, I spent some 24 years in local government—20 years as leader of my group, 10 years setting budgets and 10 years proposing opposition budgets. Throughout that time, I gained a great insight into how local government finance works and has worked over many years under different Administrations.

We should remember that in that context, local authorities have, over the past three years, faced 3.5% reductions, or efficiency savings, forced on them by the then Labour Government. In London, some 23 of the 32 local authorities have been on the floor of the settlements. For the past three years, therefore, they have always had below-inflation increases. If education is stripped from

[Bob Blackman]

those budgets, they show a real-terms reduction in funding in London over the past three years. Pretensions that local government saw its halcyon days under the Labour Government are, I am afraid, completely false. We need to put them properly in their place.

We must also consider the proposals made by the Labour Government at the time and what local authorities anticipated if Labour had won the general election. We know that they would have halved capital expenditure, and this Government are preserving capital expenditure and ensuring that there is investment for our future. That is critical for the whole ambit of local authorities and all public sector authorities.

We also must consider what local authorities now have to administer. The budget for which I was responsible in the London borough of Brent was some £1 billion, but we only had discretion over £250,000 of it. The rest was passed from central Government to the local services without any interference or control by the local authority whatsoever. We need to recognise those changes.

Graham Jones: Is that not precisely what is happening when the Government announce that they are ring-fencing education funding? Is that not just a repeat of what the hon. Gentleman has just described?

Bob Blackman: Clearly, the Government are removing artificial ring-fencing from local government expenditures. Local authorities up and down the country rightly complain about having been given money in very tightly constricted salvos that could be spent only on particular services in particular ways. Often, they could not spend it within the given time frame and so would lose it. That is ridiculous.

We need to look at how money can be saved. There is multiple handling of cases in local authorities. I know of social services cases in which the application for disabled facilities grants has gone through 17 pairs of hands before being approved. What nonsense. We have to streamline systems to ensure that, at most, one person reviews a case and another checks that it is correct. Applications should not go through 17 people.

We should have computer systems that capture data once. People who apply to a local authority for particular services frequently have to fill out a multitude of forms and the relevant information then has to be entered many times by various people in different areas.

Tom Blenkinsop: Is the hon. Gentleman advocating identity cards?

Bob Blackman: No I am not. I am saying that when the weakest and most vulnerable people in society are asked to give information to local or national authorities, we can enter the data once, administer the benefits they are entitled to and make sure they get the proper benefits, rather than having the multiplicity of systems that grew up under the Labour Government.

We spend more than £1 billion on administering housing benefit, but why does every authority need a separate back-office organisation for that? Those contracts are administered by a small number of suppliers, so why not combine them, strip out some of the administrative overheads and remove duplication?

Heather Wheeler: We have done exactly that in South Derbyshire. We have got into a grouping with Northgate and we will be the east midlands hub, so if hon. Members want to save money and pay us to do their housing benefit, we will do it for them.

Bob Blackman: I thank my hon. Friend for taking this opportunity to advertise the hub that she is involved in.

Clearly, we need smarter procurement in local government. It almost makes me spit when tenders for local government services come back with visibly inflated prices because they are for public, rather than private, services. Many of the tenders for public services that come back would not be accepted by any private service. We need to examine that carefully.

We also need to create an environment in which there is greater opportunity for mutualisation. One thing I did in local government was to create a local authority mutual insurance operation for London. It would have saved my authority and every authority that joined it £1 million a year, but it was deemed to be illegal so we could not operate it. I ask Government Front Benchers to change the position so that local authorities can come together to save money for local residents and also provide much better services.

We should consider what unused assets local authorities have. An awful lot of land could be sold in appropriate ways and the money could be used for appropriate reinvestment in the local area. We also need to consider local authority balances. Some authorities have sums of money sitting totally unused instead of benefiting the public, whereas other authorities have very small balances and will find the reductions much more painful. Many authorities need to examine their conscience and use those resources to benefit local people.

Everyone knew that the cuts were coming. Everyone knew that there needed to be a plan. In the authority on which I served before I came to the House, we had a plan to reduce our expenditure by £100 million over four years—that is, £25 million or 10% a year. If we could do it without a huge impact on public services, I do not believe there is any authority in the country that could not do it.

Graham Jones: Will the hon. Gentleman give way?

Bob Blackman: No, I shall not give way as I do not have much time. *[Interruption.]* No, I have been given the extra time already.

The borough that I have the privilege of representing now also has a plan to save some 10% of its expenditure per year, and the plan is ready to go, depending on the settlement. Clearly, as my hon. Friend the Member for Croydon Central (Gavin Barwell) mentioned, there are wide disparities in the formula grant that authorities are given. That is the key issue that the Government must address to make the system fairer, more transparent and more open, so that we can all examine it and make sure that the right resources are going to the right authorities.

8.40 pm

Heidi Alexander (Lewisham East) (Lab): This time last week, my constituency was the scene of violent protests about local government cuts. Town hall windows were smashed, four individuals were arrested and 15 police

officers were injured as Lewisham council met to consider budget cuts of £16 million. Although the violence was due to a small minority intent on making trouble, there is no doubt that my constituents are angry, and they are right to be.

Lewisham bore the brunt of public outrage about local government cuts last week. Sadly, the £16 million worth of savings agreed by the council is probably just the tip of the iceberg. In the next four years Lewisham expects to have to save somewhere in the region of £77 million, just under a third of its total revenue budget.

Joan Ruddock: Did my hon. Friend hear the Secretary of State suggest that Lewisham council should look to its £60 million worth of reserves to deal with the issue? She knows, as I do and as he does, that of those reserves, the majority is for capital spending. The general fund is simply 2.5% of total budget. Does she agree that it would be utterly irresponsible to spend emergency reserves and do nothing to deal with cuts of up to £70 million?

Heidi Alexander: Indeed. My experience on Lewisham council was that the only occasion on which reserves would be considered for use was when that would be a fiscally responsible thing to do.

Bill Esterson: Will my hon. Friend give way?

Heidi Alexander: I should like to make progress as I am conscious of the time.

The demonstrations at Lewisham council last week did not take place because that is a Labour council intent upon slashing services or haemorrhaging staff. The demonstrations at Lewisham last week were a direct result of a Tory-Liberal Government determined to cripple councils the length and breadth of the country. I first learned about the riots last Monday when I was on my way home from Westminster. As I sat on the train, I could not help but reflect upon how unfair it was that former colleagues of mine were being blamed for the Government's decision to inflict cuts that go well beyond anything that is sensible or necessary, and well beyond anything that my party would have done, had we been in power.

As I sat on the train, I also realised that at the exact time that council employees in Lewisham were trying to hold back an angry mob, hon. Members in this Chamber were debating reform of the banking system. For me, the two are not separate issues. Local democracy is rightly accountable for the decisions that it takes, but surely we have to ask: where are the protests outside the plush offices of the bankers whose excessive risk taking plunged us all into this crisis in the first place? For that matter, where are the protests outside the office of the Secretary of State, whose failure to stand up for his Department has forced Lewisham council into its present position?

I am not for one minute suggesting that the violent protests in Lewisham should be replicated anywhere, but surely those responsible for the current financial state of local government should be made aware of the effects that their actions are having on communities throughout the country.

There's the rub: for me, the Government do not get it. They do not seem to get the fact that by heaping cuts on local authorities, they run the risk of putting thousands upon thousands of people out of work. Ministers do not seem to understand that draconian cuts to local government will simply take work away from private firms—the very firms that they are desperately trying to grow. Nor do Ministers seem to understand that the scale of the cuts could decimate voluntary and community organisations at the precise moment when they want them to do more. Most worryingly for me, there seems to be no acknowledgement that the size and speed of the cuts could force councils to dismantle the services on which the most vulnerable members of our society depend.

Graham Jones: Will my hon. Friend give way?

Heidi Alexander: I would very much like to make some progress, and I am conscious that there is a time limit.

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) spoke earlier about elderly care, on which I, too, would like to focus for a few minutes. I have been reprimanded by the Secretary of State in this Chamber before for daring to suggest that the supposedly extra money for adult social care announced in the comprehensive spending review would be wiped out by the cuts to local government. Well, let me tell the Minister today that there are many authorities that share my concern. In fact, a recent report by London Councils estimates that even with the "extra" £2 billion announced in the CSR, funding for adult social care will fall by £1.8 billion over the next four years. During my time as a councillor, the worst meetings that I had to attend were those at which we considered changing the eligibility criteria for care packages—the threshold of need that the elderly and those living with disabilities have to meet to get support. In the end, we did not raise the threshold in Lewisham, and I am pleased that we did not do so. It came down to a question of human dignity, and I was proud to be part of a Labour council that recognised that.

However, with the current scale of cuts facing local government and the demand for care increasing by the day, I cannot see how much longer councils will be able to maintain the level of support that they currently provide. If they do maintain current levels of care, other council services will have to take a big hit. They include libraries, leisure centres, recycling facilities and street sweeping—many of the things that people take for granted. Does the Minister realise that those are the sorts of impossible decisions that he is asking council leaders to take?

I accept that in many areas there may be ways of doing things differently—doing things more cheaply and doing them better—and that is precisely what good, forward-thinking councils have been doing over the past few years. My concern about the Government's approach to local government is that it seems to be based on a mistaken belief that councils are characterised by rampant profligacy, sky-high salaries, and hundreds and hundreds of non-jobs. Nothing could be further from the truth. My experience tells me that, year after year, many councils have been working hard to make themselves more efficient, the result being that there is

[Heidi Alexander]

now simply not much fat left to trim. The way in which cuts are being disproportionately squeezed into next year—although we hope we might get some good news on that—will also make it harder for councils to take the sensible, long-term strategic decisions that are needed.

My concern about the scale of the cuts to local government is that it will limit the ability of councils to address some of the big issues of our time, and restrict the innovative work that some modern, progressive councils are already undertaking. Let us take climate change. Although new forms of electricity generation and more energy-efficient homes may help to reduce our carbon emissions, some of the really big differences will come about only by people changing their behaviour. That does not happen by magic, and although Ministers might be concerned that this smacks of the nanny state, I cannot help but think that it is local government that is best placed to assist communities in reducing their carbon footprints. However, that type of work is resource-intensive, and with resources so much scarcer, councils will have to stop doing other things if they want to continue such work.

In conclusion, I believe that the scale and speed of cuts to local government is part of a deliberate strategy by Ministers to shift the really difficult decisions on to someone else. It is an attempt to deflect attention away from themselves and on to council leaders up and down the country. To give Ministers their due, as a political strategy you cannot knock it, Mr Deputy Speaker, but as a strategy to reduce the country's deficit fairly and sensibly, it is nothing short of a disgrace.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. As we can see, six Members are still trying to catch my eye and there are 40 minutes left of this debate, so I am sure that hon. Members can do the mathematics. Perhaps they will want to be generous in order to ensure that everybody gets in, because the numbers are equal on both sides of the House.

8.50 pm

Mr David Ward (Bradford East) (LD): I welcome in particular the speech by the hon. Member for Mitcham and Morden (Siobhain McDonagh), one of the few people who seems to have read the motion. Many hon. Members have tried to support or, indeed, argue against the scale of the cuts, but the guts of the motion are really about front loading and authorities' ability or inability to deal with that in the short term.

Scaremongering has been mentioned, but back in Bradford the council has been working on the figures, and the numbers on front loading are scary. Those are the figures we have been given, so it is a question not of scaremongering but of what we have been given to work on and are working to.

Members have traded stories and histories of their time on local councils. I had 26 years on my local council, 13 under the Tories and 13 under Labour, and with all due respect to my coalition partners, I can tell hon. Members which were the worst by a long way. I remember, back in the '80s, we had to raise £2.40 to spend £1 in Bradford and send £1.40 back to the Treasury, and it did not get much worse than that, so I am not worried about the Liberal Democrats having only 57—or, soon, 58—Members, because two of us Liberals managed to stop Councillor Pickles slashing the education budget in the '80s, although unfortunately a by-election and the lord mayor's casting vote enabled him to do so the following year.

During the 13 years under Labour, additional funding went to the local authority and it was very welcome. Unfortunately, it was accompanied by obsessive control, bureaucracy, targets and the ring-fencing of funds, which would enable Ministers to issue press releases telling us how good they were and what they were doing for the people of Bradford. Building Schools for the Future was a colossal waste of public funds, and if we had been given only half that money to spend in our area on our priorities for schools, it would have been much better.

The cynical use of local services to win Government popularity reached shameful proportions with the free school meals handout and free swimming. It would have cost us 8 million quid to keep free school meals going the year after, and, although the shadow Secretary of State says that we did not turn that money down, how could we? That is how much it would have cost us to keep the service going, and it was pure political cynicism to make that offer leading up to a local election.

Similarly, the area-based grant and the working neighbourhoods fund were time- limited, and, although we got as much as we possibly could because we had things to do with the money, local education authorities invariably required that that short-term funding be added to the base. The position we were in meant we could stop the funding or add it to the base, but if we did not continue with it we would have been the villains of the piece, so invariably we did.

Year by year, the base grew and grew, and all the time we faced the relentless pressures of an ageing population, and all that that meant for increased social care, and the fastest growing school population in the country. In turn, there was budget creep: unsustainable budgets that got bigger and bigger. Between 2000 and 2008, private sector jobs declined by 7.5% and public sector jobs went up by 14%, and that could not be sustained.

Despite all that, over those 26 years the local authority survived. It got through, and it will get through this recession, too. The Secretary of State was absolutely right: we cannot rely on a salami approach any more. The truth is this—it is a secret, so please do not tell anybody else—of the £1.3 billion gross budget that we were spending, we had a furious argument every single year at budget time about a couple of million quid. That was what was really going on, rather than dealing with the structural changes that were required in the authority.

As someone said earlier, necessity is the mother of invention. We are responding positively in Bradford, including the leader of the Labour group who, after six years of self-imposed exile, is actively working as the leader of the council with all the other groups because he understands the severity of the problems that we face. I give him great credit for that. But—and this is the big "but"—we cannot turn the tanker around in a short time. When we are faced with reducing £60 million on a net budget of £450 million, it is not about a planned, structural, cultural local authority change contributing to the deficit reduction programme; it is simply reckless, economic vandalism. That is what we face.

I do not know about other hon. Members, but I have detected a shift tonight on the subject of the front loading. I get a feeling that something has been said and there is something in the air. People might ask, "So why on earth are you making all these comments and raising these concerns?" I would say to them that that is what we have been given to work on and what the directors of finance across the country have been told, and they are acting on it. That is the point I am trying to make. We knew this was coming and we have been told how severe it will be, so we are now making decisions and cutting our budgets. The decisions we are making are not long-term, rational, objective assessments; it is simply panic. We are saving £1 million a month on the vacancy freeze. That is very welcome in terms of helping us with the budget, but it is arbitrary and has not been planned. Such an approach is salami slicing of the worst possible kind and it cannot go on because people will be affected by it.

We need to give local authorities time. They are rising to the challenge, but they need time to achieve what we are asking them to achieve, and we need to work with them. Despite what will happen later, if there were a free vote in the Chamber tonight, I think that the majority of hon. Members would support the motion. What has emerged from the various speeches is a recognition that local authorities need time. I hope that in the winding-up speeches tonight from the coalition side, we are given a very strong positive indication about all the concerns raised on front loading and that we are told it will be abandoned.

8.58 pm

Nic Dakin (Scunthorpe) (Lab): I draw attention to my entry in the Register of Members' Financial Interests. It is a pleasure to follow the hon. Member for Bradford East (Mr Ward) who praised my great friend Councillor Ian Greenwood, the leader of Bradford city council, for rolling up his sleeves to get on with the job. I recognise the great honesty of the contribution he has made tonight. In recognising that, the figures look—in his own words—a bit scary.

The cuts in local government spending announced by this Conservative-led Government are of unprecedented severity—27% in four years is a massive amount. As leader of North Lincolnshire council for six years, I inherited a council with the fourth highest council tax in the country. Through systematic and planned savings, the council's budget had been cut by many millions by the end of my term of office. Council tax at band D was the average for England, and the Audit Commission identified North Lincolnshire as a beacon council, so I know it is possible to reduce spending while developing services.

Like my hon. Friend the Member for North Tyneside (Mrs Glindon), I recognise that innovation has been around for some time in local government. However, to do that creatively and effectively, budget reductions have to be systematic and planned. To cut budgets in a crisis is exactly the wrong thing to do. It leads to the wrong cuts, a lack of service continuity, and disastrous consequences for the organisation's finances and for the services it delivers. We need look no further than across the Irish sea to see how true that is.

The Education Committee recently interviewed two heads of children's services to see how it feels at the sharp end. In his opening question, the Chair asked whether the funding reductions made sense. Matt Dunkley of East Sussex county council, the vice-president of the Association of Directors of Children's Services, answered thus:

> "I think we all understand the imperative of the deficit reduction. I think our fears are, managerially, how it is being handled by the Department and how the settlement is being broken down, in terms of the different funding streams that affect us. We are fearful that a combination of front-loading of the reductions into year 1, and the way in which the different funding streams on which we are reliant are being cut at different rates over the four years...could lead to some local authorities having to make very large reductions in the first year of the four years of the settlement. That could have a knock-on effect in terms of the amount of redundancies they'd have to fund, which might produce some unintended consequences".

Debbie Jones, director of children's services for Lambeth, added:

> "What I want to emphasise...is the front-loading issue. I think all of us have recognised the need to make significant reductions, but the important thing is that we essentially transform the way in which services are commissioned and delivered so you have a reasonable lead-in time. The impact of the front-loading, not just on our overall settlement but also on the grants that we have yet to know the detail of, means that we will have a very short time in which to make major decisions. That of immediate knee-jerk obviously we'll do our best to avoid it could result in those unintended consequences, which could undermine the work that we're doing in the future."

That is what the professional leaders on the front line are saying about how this Government are going about their business. They are not whingeing and whining—they are professionals. To use the words of my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), they are getting on with the job. That is what professionals will always do, in my experience, when faced with some of the nonsense that we, the politicians, serve up from time to time. They will somehow make sense of the nonsense, and they will make it work, after a fashion. However, what they warn of we have a duty to listen to. They warn that these reckless cuts will lead to unintended consequences, which will impact on the lives and livelihoods of the most vulnerable. These reckless cuts will deliver the Prime Minister's broken society, not his big society.

As the Tory peer and LGA chair, Baroness Eaton, said:

> "the unexpected severity of the cuts that will have to be made next year will put many councils in an unprecedented and difficult position."

We have heard how Conservative leaders and mayors in the north of England have echoed this in a chorus of concern. The chief executive of North Lincolnshire council agrees. Never before has the council in my area had to take an in-year cut in Government funding after it set its budget, as it had to do this year. The front loading of future cuts means a 10.4% reduction next year. Additional cuts to specific grants will exacerbate this further. It is small wonder that the council concludes thus:

> "Revenue spending cuts in excess of £20 million over 4 years are on an unprecedented scale. There will be implications for all areas of council activity. While the council will try to manage as much of this as possible through efficiency measures, reductions in services and staffing levels are inevitable."

For all the Tory talk of localism and devolving power to local authorities, the Tories are cutting local budgets harder than national budgets. Town hall spending will

[Nic Dakin]

be cut almost three times more than that of Whitehall Departments—so much for localism. The cuts are front loaded so that the heaviest cuts fall in the first year, giving local councils almost no chance to plan where savings can be made. The cuts are too deep and too quick, putting front-line local services at risk. Many small businesses rely on contracts for local authorities. As my hon. Friend the Member for Lewisham East (Heidi Alexander) pointed out, cuts in local government funding will result in fewer contracts for the private sector, meaning loss of jobs and a knock-on effect for the wider local economy. It is little wonder that PricewaterhouseCoopers forecasts that for every job lost in the public sector, another will be lost in the private sector.

This timely motion gives all Members of the House the opportunity to listen to the people, to pause and to do the right thing. By voting for the motion, we are voting for localism, for small business and for local people. I commend the motion to the House.

9.5 pm

Angie Bray (Ealing Central and Acton) (Con): Hon. Members will be pleased to know that I will keep my remarks short.

Given where the country finds itself financially, it would have been strange if local government had been immune to the tough choices that the coalition Government have been forced to take to cut the deficit and to get the country back on track. Decisions on local government spending are indeed tough, with a 7.5% cut in spending each year between now and 2014. However, as many colleagues have said, the cut may well be lower due to other revenue streams.

Although the impact is painful, the coalition has taken decisions to make it as fair as possible. Councils up and down the land will be supported in freezing council tax in 2011-12 through additional funding equivalent to the revenue from a 2.5% rise in council tax. That honours a coalition agreement promise to freeze council tax, even in the face of the worst debt crisis since the second world war. It is also an essential ingredient of the coalition's policy on fairness, because it helps the lower-paid and pensioners in particular, who have seen their council tax double since 1997. The average band D council tax bill is now nearly £1,500, which frankly beggars belief.

As with so many issues, we still do not have a clue how the Labour party would approach this difficult funding issue. It has to get over its denial about the financial problems that face this country. It continues simply to complain and scaremonger, yet it never tells us how it would deal with the problem, except to imply that somehow it would be able to do so without having to take any difficult decisions. More likely, it is not coming clean with us about the plans that we know it had, because it does not want to talk about them any longer. We are where we are because of years of overspending without a care in the world by the Labour party. Now the pain starts as we rebuild our finances. At least Government Members know what we have to do.

The most important reform that the coalition is introducing in local government is more localism. One way in which the Government are trying to alleviate the difficult measures is to free funding from being overly ring-fenced. That will allow local councils to use their revenue with much more flexibility, so that they can meet local needs in the way that they know best.

Neil Carmichael (Stroud) (Con): The debate has focused on two issues. Obviously, the cuts are the primary issue, but there is a secondary one. Does my hon. Friend agree that the opportunities that the coalition Government are giving local authorities to be imaginative and even radical in reforming their services and their approach to local government will pave the way for exciting, diversified and genuinely local authorities?

Angie Bray: I thank my hon. Friend for that contribution. Of course, I agree that it is a great thing to get local authorities back to doing what they do best, which is to work closely with their local residents to ensure that they give them what they need.

As hon. Members have said, many local authorities across the country are considering how they can take out costs in their back rooms by working together to run services. My hon. Friend the Member for Halesowen and Rowley Regis (James Morris) mentioned Kensington and Chelsea borough council getting together with Westminster city council and Hammersmith and Fulham council to do just that. Those boroughs happen to make up my previous London assembly seat and they are all, I should add, Conservative-run. They are doing what local councils should be doing—making efficiency savings in bureaucracy where possible, rather than hitting front-line services.

My local, Labour-led council, Ealing, has been quick to announce plans for a range of cuts, including cutting day care centres, a child protection officer and more than 50% of park rangers. Enviro-crime officers are also to be cut, from 23 to 12, yet it is happy to find £3 million for new computers at the town hall and, quite disgracefully, it is to continue funding full-time trade union officials to the tune of £250,000 a year.

Tom Blenkinsop: Regarding non-statutory duties and youth services, about which we have heard from the hon. Members for Bermondsey and Old Southwark (Simon Hughes) and for Croydon Central (Gavin Barwell), would the hon. Lady like to condemn the Prime Minister, who is funding pilot schemes for big society youth projects in the summer with people who are not qualified in youth training?

Angie Bray: I am happy to take that point on board, but I am going to make progress.

The spending decisions that I mentioned are clearly not the priorities in which the people of Ealing are interested, and they really ought to be reconsidered. Unfortunately, I suspect that politics has played a large part in them. They were entirely avoidable, but the council hoped to make the coalition Government take the blame. I expect the public to be a little cleverer than that. They know, as we all do, that we are in a black financial hole because of the previous Labour Government, and my constituents will not be impressed by poor spending decisions that allow day care centres to be closed or park rangers to lose their jobs while full-time

trade union officials are kept in cushy jobs in which they do nothing to support the local community. I will oppose the motion.

9.11 pm

Karl Turner (Kingston upon Hull East) (Lab): I am very grateful for the opportunity to speak in this debate, which is important because the subject affects my constituents particularly badly. I have enjoyed contributions from both sides of the House, and I particularly welcomed that of the hon. Member for Bradford East (Mr Ward). It reminded me of something that he said at the very beginning of the Parliament in a media interview: "It's not about who you do the deal with, but about the deal you do". I suspect that he is rather wondering what sort of a deal has been done now.

I also welcomed the contribution of the hon. Member for Brigg and Goole (Andrew Percy) about waste in local government, particularly when he referred to bureaucracy and the rule book on appropriate language to be used by councillors to council officers. He failed to mention that the other half of the Tory group on his council was accused recently of referring to a council officer as a "wonk" and a "foreigner". Perhaps it would have been useful for him to have read that very rule book.

Andrew Percy: As my friend, colleague and near neighbour knows full well, the guide I referred to was for councillors in their dealings with the public. The corporate governance inspection recorded that it was Labour councillors who were bullying members of staff back in 2000.

Karl Turner: Of course, I disagree entirely. It was very recently that the leader of the Tory group was accused of the serious things I mentioned, and it would have been better had he read the rulebook.

As axes have fallen, local government has emerged as the indisputable loser from the Government's austerity measures. Town halls across the country will feel the squeeze tighter than Whitehall Departments as the Government cynically try to devolve responsibility for the choices they have made and the mess they are creating. On average, local authorities will experience a loss of funding to the tune of 27% over four years, compared with 11% for Whitehall Departments.

Before I move on to specific objections, I should first like to discredit the myth that that situation was inevitable. It was not. There was an alternative, which, coincidentally, was the opinion of the junior partner in the coalition Government. It had the support of numerous Liberal Democrats who are now members of the Cabinet, and the Deputy Prime Minister deemed it simple enough for his 8-year-old child to understand. Slower deficit reductions—half the level over four years—as supported by the Labour party, would have mitigated the effect of local government cuts and protected the most vulnerable in our constituencies.

Cuts this size and this fast cannot be absorbed through recruitment freezes, removing natural wastage or service-sharing. Make no mistake: these cuts will impact on services and jobs. Across the country, local councils have already begun shedding staff and pulling vital front-line services. Council leaders, whatever their political persuasions, are trying to mitigate their political misfortunes, explaining that services will be hit and jobs lost, and even the Secretary of State admitted that, by itself, sharing services will not balance the books. Money allotted for highway improvement is being hit in Somerset, north Yorkshire and London, and support for battered women has been slashed in Buckinghamshire. Eligibility for social care is being tightened, £311 million of grants from the Department for Education have gone, and youth services are being put at severe risk.

In my constituency, residents have been hit particularly hard by cuts to the housing market renewal programme, affecting Hull's gateway housing regeneration scheme. The speed at which Government funding has been withdrawn has left many living in derelict houses, experiencing damp, flooding and an increase in theft. I have written to the Secretary of State to invite him to see the result of his policies, but not surprisingly he has yet to reply. It is perhaps no wonder that he has not afforded me the courtesy of replying to my invite. My constituents are left in real desperation. Cuts to these areas do not just end with a fall in service provision. They begin a vicious cycle of their own: as jobs are lost and unemployment increases, dole queues get longer and longer. The Local Government Association has already revised up its estimates of job losses to 140,000 this year and predicts costs associated with these redundancies could be as much as £2 billion. However, money provided by central Government to help with the cost of job cutting amounts to only £200 million.

I come to the crux of the motion. It is not just the depth of the cuts that is damaging, but the speed. The Government's desire to rush local authorities into making cuts now to make sure the damage is done well before the next election is a worrying and short-term decision based entirely on political objectives. The Secretary of State can scream from the rafters that the accusation of front-loading is fiction, but the evidence is firmly against him. The Local Government Association has estimated that the cuts will fall heaviest in the first year, with an 11% loss in 2011-12.

The Government may talk a good game, but they certainly do not play one. Let us consider, for example, the Secretary of State's vision for local authorities. He claimed that they should use cuts as an

"opportunity to completely rethink everything they are doing, creating a modern, flexible and innovative council."

That is certainly a laudable sentiment, but in practice he is forcing local government to make cuts almost immediately, allowing no time for planning or strategy. The opportunity that he speaks of will last for the blink of an eye.

As well as going too far, too fast, the cuts are unfair. Despite claims from Government Members that they would aim for fairness and that we are all in this together, the effect of these cuts is highly disproportionate, hitting the worse-off hardest. Even the Minister admitted:

"Those in greatest need ultimately bear the burden of paying off the debt". [*Official Report*, 10 June 2010; Vol. 511, c. 450.]

Unfortunately, figures from the Department for Communities and Local Government bear that out. The councils worst hit over the four-year settlement, including my constituency, are among the 10% most deprived areas in the country.

[Karl Turner]

This Government say one thing and do another. Measures involving jobs, services, front-loading and unfairness are all being undertaken using the language of localism. The Government are front-loading cuts in local services to ensure that, come the general election, the massacre will be over. They are making councils take responsibility for the cuts locally so that they do not have to account for their irresponsibility nationally. They are feathering their own nests while pillaging constituencies such as my own. This Government claim that we are "all in this together", so I ask the Secretary of State if he will please visit my constituency, along with housing Ministers, to see the carnage for themselves.

9.20 pm

Andrew Bingham (High Peak) (Con): I will be brief as I believe that one more Member wishes to speak in the next 10 minutes. I have had the privilege of being a High Peak borough councillor for 11 years, and I remember the first four years, when the council was under Labour control. Labour Members tend to wax lyrical about the past, but during those four years, when we were led to believe that money was plentiful, the Labour-controlled council managed to put the council tax up by 19% in a single year. The increase averaged more than 9% a year over four years.

In 2003, we had a strangely prescient situation in which a Conservative-Liberal Democrat coalition ran High Peak borough council, but even then we were squeezed by the Labour Government, with small settlements and extra duties. We were told to take on licensing, for example, but given no money to do it. We had to find that money ourselves. The hon. Member for Lewisham East (Heidi Alexander), who is no longer in the Chamber, made an accusation about us shifting the blame for taxation on to local authorities. All I will say to that is: they should know, shouldn't they?

The council was then faced with comprehensive performance assessments, and I remember officers focusing on that week after week, month after month, and carrying out mock CPAs to get the necessary excellent rating in order to free us a little more from Government interference. That took their minds off delivering the services that we were there to deliver. It was ridiculous, and we need less of that. We still managed to set a low council tax, however, and in 2007 the Conservatives took control of the council.

Members who have been in the Chamber for most of the debate will have heard me describe our strategic alliance with Staffordshire Moorlands. We have achieved more than £2 million of savings, which can go to our residents, although many of those measures were opposed by the Labour group. The two councils now share environmental health, ground maintenance, property management, communications, human resources and finance—the list goes on. We have all heard of other councils sharing in this way, but we were one of the first to do it. I urge Members to come to High Peak borough council and learn from us how it was done. We might make a small charge, but they would be very welcome if they would like their councillors to learn about this.

In future, we need less Government control. We have seen the regional spatial strategies going, although there are some difficulties involving legal challenges and we need to move that along faster. We have heard the Opposition say that they did not know what cuts were coming, despite their having announced them in their own pre-Budget report. Last year, however, the opposition councillors in High Peak questioned our medium-term financial strategy because we were not budgeting for deep enough cuts. So, on the one hand, the Opposition say that they do not know about the cuts but, on the other hand, they behave in completely the opposite manner.

The money that we are giving to local authorities now will be a lot freer, because there will be less ring-fencing, and freer money goes further. Ring-fenced money is harder to use, and it is not put into the right areas. Labour Members are in denial; they have been since May. Perhaps it was the sun that got to them, I do not know, but they would have been forced to make cuts and savings, had they won the election. Thankfully, they did not win it, and they have now resorted to nothing more than scaremongering.

9.23 pm

Graham Jones (Hyndburn) (Lab): Given the short amount of time left, I shall raise just a few brief points. I want to mention the new homes bonus, a suggestion that could save money, the big society, and residualisation in east Lancashire, which is an important issue in my constituency. I also want briefly to touch on police community support officers.

My constituency is suffering some of the biggest cuts. We are facing 27% cuts across the board, but we are waiting for the actual figures. I am surprised that the Minister will not confirm those figures today. My hon. Friend the Member for St Helens North (Mr Watts), who is no longer in his place, mentioned a report produced by the all-party parliamentary group on the special interest group of municipal authorities—SIGOMA. It stated that Hyndburn was ranked as the 40th most seriously hit area, facing between 30% and 38% cuts. These can have a cumulative effect, and similar examples have been raised by other Members today.

The new homes bonus is frequently used by Ministers as a method by which councils can run for financial sanctuary, but it will have no impact on constituencies such as mine, where there are some 2,500 empty properties. Netting off demolitions will hit hard any areas where there is an over-supply of housing. This policy is a bit like throwing a drowning man a medicine ball.

Let me make some suggestions. Conservative Members say that we have no suggestions, but my right hon. Friend the Member for Salford and Eccles (Hazel Blears), who is not in her place, suggested more flexible use of the business rates, which the Secretary of State touched on earlier. Let me give him another suggestion. If he stopped scratching his head and listened to me, he might learn a thing or two. Hyndburn council calculated that removing the 50% council tax discount on empty properties will raise £660,000—an enormous sum for a district authority. At the moment, this money is clawed back through the revenue support grant deduction. It needs to be looked at. It is interesting to note that *The Independent on Sunday* reported that the Liberal Democrats were looking at similar initiatives—discounts and removal—for second homes.

Turning to the big society, it concerns me that the Government believe that we are moving towards such a society. I cannot see it. Let me provide an example. My

local authority provides £57,000 for citizens advice bureaux. If we face cuts of between 30% and 38%, I cannot see how that is likely to continue, yet this is a time when citizens advice bureaux will see an increase in the number of people coming to see them. This will mean an increase in the work load at a time when Citizens Advice will be laying off staff. It is also affected by many other streams of direct Government funding, which are also being cut. It is obvious that there are going to be real problems. I do not think that the Conservative council of Hyndburn and Rossendale has an appetite for maintaining such funding. It is going to set a 0% council tax—a big issue, as that is going to hit the big society even harder. Many voluntary groups rely on this funding, and I cannot see how they are going to survive. Thanks to the cuts, we have already lost one dial-a-ride minibus, and I imagine that the disabled service will be removed altogether unless we see some sort of public support.

These huge cuts have a cumulative impact, so there is a growing concern in Pennine Lancashire about what I would describe as the residualisation of poorer communities. Ministers need to be aware of that. Indeed, evidence is now emerging that while populations in these areas remain relatively stable, the number of those in higher-income brackets is declining, along with those who have better education and better employment prospects. This is countered by a growth in the number of poorer, lower-income households and those with lower levels of educational achievement. These populations are, by their nature, often more dependent on public services. We therefore see self-reinforcing patterns starting to build up as a result of these cuts.

This is a crucial issue. The latest rankings for the index of multiple deprivation show that right across Pennine Lancashire, with the exception of Ribble Valley—I notice our Deputy Speaker has left—there has been a marked fall as the effects of residualisation take hold. There are real fears that the outcome will be a "ghettoisation" of parts of east Lancashire and other parts of Britain, thanks to a Government focusing solely on areas that can prosper economically rather than getting to grips with the needs of all communities.

Finally, let me touch on policing. On top of all the other cuts I have mentioned, policing is going to be cut. Police officers in my area believe that, without the extra staff, crime will rise. The police cuts are ill considered. Police community support officers are part-funded by local authorities; they tackle in partnership a wide range of social problems. No assessment seems to have been made of the wider impact of cutting PCSOs in areas where local authorities work in partnerships. I will stop there and allow the Front-Bench teams to conclude the debate.

Joan Ruddock: On a point of order, Mr Speaker. I think you will know that I have been in the House long enough to take the rough and tumble of parliamentary debates, but earlier today, in response to my intervention, the Secretary of State made a remark about an hon. Lady's "champagne lifestyle", which appeared to be directed at me. I found that really offensive and rude. Will you advise me, Mr Speaker, on whether I could expect that remark to be withdrawn?

Mr Speaker: Let me say three things to the right hon. Lady. First, good temper and moderation in the use of parliamentary language are always to be encouraged. That principle is set out clearly and explicitly in "Erskine May", which is our guide. Secondly, I had the privilege of serving on the International Development Committee with the right hon. Lady and travelled to a number of places around the world with her and other colleagues, and I cannot recall her consuming champagne at any stage. Thirdly, let me simply say that my distinct recollection is that the right hon. Lady is a modest person, with very little to be modest about. I hope that that is helpful to her and to the House.

9.30 pm

Barbara Keeley (Worsley and Eccles South) (Lab): I hope that the words that you have just uttered, Mr Speaker, will have an impact on Government Members, because there has been quite a lot of rowdiness today. I also think it worth saying that some of the ways in which Members are addressing female Members does them no credit at all.

We have had a good debate, featuring 25 Back-Bench speakers. It was polarised—as well as being, as I have said, a little rumbustious at times—but then the Government's cuts are polarised in terms of their impact on different parts of the country.

The Secretary of State talked earlier of "Life on Mars", and of returning to the 1980s. That is not the best theme when we are discussing cuts that will restrict and reduce services, damage communities, and put more than 100,000 local government staff out of work. The Secretary of State missed the contribution of the hon. Member for Bradford East (Mr Ward), who did not seem to feel that the 1980s were a great period. As for Government Members who thought that those were halcyon days in some respects, let me remind them of what was said by my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh): they ain't seen nothing yet. That was the most difficult and damaging decade for communities. I became involved in politics, and stood for election as a councillor in Trafford, because of the 1980s and Thatcherite policies, and I am sure that many of my right hon. and hon. Friends did the same.

The Government have made choices about the severity and timing of cuts in local government budgets, but they are the wrong choices. The cuts are unfair, unreasonable and unmanageable. They are unfair because they hit the most deprived areas hardest, and will have an impact on the most vulnerable people. Affluent areas will not be hit by such deep cuts. Wokingham borough council, the least deprived unitary authority in England, will undergo cuts estimated at just 2.3% next year. The most deprived unitary authority in the country, Liverpool city council, is the hardest hit, facing estimated budget cuts of 12.3% next year alone.

Many of the excellent speeches that we heard, particularly those of Labour Members, were on that theme of unfairness. My hon. Friend the Member for Denton and Reddish (Andrew Gwynne) found it difficult to see any fairness in the cuts. He spoke of the 800 staff cuts with which his local authority is threatened, and of his concern about the impact on the voluntary sector. My hon. Friend the Member for North Tyneside (Mrs Glindon), who was a councillor for 15 years, told us that the Conservative mayor had urged Treasury and other Ministers to think again about the speed of their cuts. She said that she had asked officials to spread the reductions more evenly over the four years of the spending review.

[Barbara Keeley]

My hon. Friend the Member for Blackpool South (Mr Marsden) talked about the help that his Conservative-controlled council had been given over issues of transience and deprivation, and his concern about the cuts in area-based grants. He spoke of the impact of cuts of £32 million, and said that the Conservative council leader had urged the Government to reconsider their approach—particularly their approach to front-loading, which would produce cuts of between 11% and 16%.

My hon. Friend the Member for Liverpool, Walton (Steve Rotheram) also talked about unfairness, focusing on the polarised nature of the Government's approach. Estimates show that the most deprived areas will be hit hardest by the cuts, and that the least deprived will be least affected. My hon. Friend the Member for Barrow and Furness (John Woodcock) said that the Government should not adopt an approach that would render the funding of local areas blind to the needs of those areas, because that was neither fair nor progressive. My hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) talked about the speed of the cuts and the front-loading. She was rightly concerned about the impact on Liverpool city council, which, as I said earlier, is the most deprived unitary authority in the country. She was also concerned about the impact on jobs and, in particular, on small business.

The fear has been expressed that local authorities may be forced into damaging crisis measures. The Secretary of State set out what he expected from councils when he said that further financial freedoms announced for councils would mean that they could better protect front-line services such as care for the elderly, but last week Birmingham city council proposed restricting funds for social care to those who had been assessed as "critical", the highest possible level at which to set eligibility. People with substantial or moderate needs would be "signposted" to private and third sector providers.

Cuts like those being suggested by Birmingham council will undoubtedly lead either to a greater reliance on unpaid family carers or significant care needs simply being unmet. My hon. Friend the Member for Lewisham East (Heidi Alexander) talked eloquently about how difficult she found it as a councillor to consider raising eligibility criteria, and in the end she and her colleagues did not do it. They are to be commended for that.

Birmingham council, which is run by the Conservatives and Liberal Democrats, has claimed that its strategy on adult social care is part of its version of the big society. As my hon. Friend the Member for Stockton North (Alex Cunningham) said, the third sector is the big society; forcing unpaid family carers into a much heavier caring work load is not the big society.

The Government's cuts are unreasonable with a lot of changes being made in a very short time scale, and there is insufficient support for councils to pay inevitable redundancy costs. A number of Members have raised that issue. The Local Government Association estimates that next year councils will be facing 11% cuts in their formula grant and many councils will also lose area-based grants, which were designed to tackle poverty and deprivation. Many Labour Members have talked about the impact of those changes on their communities as specific grants that had their own targeting based on need have now been rolled into the main formula grant. London Councils says the way this works will cause London's share of these grants targeted at need to evaporate. It has said that the distribution mechanism used by the Government is flawed and generates perverse and unfair outcomes. The Government could mitigate the impact of the changes by setting funding floors at the highest possible level, and we urge them to do so.

The hon. Member for Bermondsey and Old Southwark (Simon Hughes), who is not in his place, supported setting funding floors at the highest possible level. [HON. MEMBERS: "Here he is."] He is here now; welcome. The hon. Member for Bermondsey and Old Southwark, who is now in his place, also put forward the LGA's five recommendations: to smooth out the front-loading so as to lessen the impact on deprived areas; to increase capitalisation to what councils need; to account for missing grants; to review councils' ability to recover costs through fees and charges, which several Members have talked about particularly in respect of burial charges; and to avoid any unfair distribution of grant. I must say, however, that although the hon. Gentleman put those points forward, they were also all put forward by the shadow Secretary of State, my right hon. Friend the Member for Don Valley (Caroline Flint), in her excellent opening speech.

Many Labour Members have talked about the fear of job cuts, which, to their credit, some Members on the Government Benches said they regretted. It is time to think not only of the job losses in local government, but the knock-on effect in other sectors. Today we have heard that recovery in the construction sector is stalled until at least 2013, given that construction work from the public sector is set to fall by 17%. My hon. Friend the Member for Stockton North talked about the loss of construction through the cancellation of Building Schools for the Future and the planned local hospital. The chairman of the UK Contractors Group confirmed this point when he said:

> "About 40% of our business comes from the public sector and so construction will not be immune from these decisions"

in local government.

My hon. Friend the Member for Liverpool, Walton undoubtedly remembers a similar impact on the construction industry in the 1980s—the torrid decade of Tory rule as he calls it, which he said were devastating for Liverpool.

Losing a job is devastating, and the cuts will clearly lead to substantial reductions in staffing across the local authorities affected. The LGA estimates that 140,000 local authority jobs will be cut next year, but as we have heard from a number of Members, councils will not be able to meet the capital costs of those redundancies because the £200 million currently set out by the Government to pay the costs of redundancy is simply not sufficient: if 140,000 jobs are indeed lost, it amounts to less than £1,500 per redundancy. As we have heard, councils may need up to £2 billion next year, 10 times more than the provision made by the Government. We say councils should be given the flexibility to fund those redundancy costs from capital, as they need.

The Government's cuts are not only unreasonable; they are also unmanageable. A number of councils believe that they will not be able to set a balanced budget given the front-loading of cuts next year. My hon. Friend the Member for Scunthorpe (Nic Dakin)

spoke very well about that and possible unintended consequences. The Association of North East Councils, a cross-party group, has called the Government's proposed cuts to local government "undeliverable for some" councils.

The Secretary of State has not been willing to admit that the cuts are front-loaded, despite a number of attempts to draw him to do so today, but the reality is that many councils will face budgets cut by 14, 18 or even 20% next year. Many Labour Members have discussed that issue and, as my right hon. Friend the shadow Secretary of State said, the president of the Society of District Council Treasurers has called the front-loading disastrous. The leaders of the Local Government Association called on the Secretary of State to mitigate the front-loading of cuts as it would

"bear disproportionately on local communities and vital frontline local authority services".

Indeed, the Conservative leader of Bury council said that

"it is almost impossible to absorb such vast figures in the time that we have available".

Councillors not having any time available to them has been a key theme of our debate.

Many Government Members, including the hon. Members for South East Cornwall (Sheryll Murray), and for Meon Valley (George Hollingbery), have talked about introducing more innovative ways of dealing with the cuts, but Labour Members say that the severe and unexpected front-loading of the cuts will mean that councils do not have the time to do that. Shifting to shared service models, renegotiating long-term contracts and working with other sectors as providers are major changes. They take time and money to implement and that time is just not there. My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) made that point most eloquently. it was also made by the hon. Member for Bradford East, who said that the front-loaded cuts were "reckless economic vandalism" and that cutting required time.

In dealing with these unfair, unreasonable and unmanageable cuts, councils are not assisted by the mixed messages coming from Ministers. The Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) told the *Hackney Gazette*:

"Local authorities have been aware for some time that funding reductions were imminent and should have been looking at…reducing budgets next year".

Many Government Members pursued that same theme today.

At the same time, other Ministers are calling on councils not to make redundancies or to plan cuts to services. The Deputy Prime Minister has criticised councils for acting now, saying that

"they shouldn't immediately start issuing redundancy notices for savings that they can phase in over four years".

On adult care, the Minister responsible for care services has said:

"There is no justification for local authorities to slash and burn or…to tighten eligibility".

When asked about the impact of cuts on voluntary organisation funding, the Minister responsible for decentralisation said:

"I expect local government not to draw up the drawbridge, but to treat voluntary organisations fairly and…to allow them greater access". —[*Official Report*, 25 November 2010; Vol. 519, c. 446.]

When asked about the effect of the spending review on libraries, the Under-Secretary of State for Culture, Olympics, Media and Sport, the hon. Member for Wantage (Mr Vaizey), said:

"Local authorities have a statutory duty to provide a comprehensive and efficient library service. I shall be writing to all local authorities this week to remind them of that." —[*Official Report*, 29 November 2010; Vol. 519, c. 514.]

Today, the hon. Member for Bermondsey and Old Southwark said that councils must not pick on the voluntary sector.

It appears that Ministers and some hon. Members do not want councils to cut areas for which they have responsibility or just feel that they can avoid doing so. As we have heard in this debate, Conservative council leaders and Lib Dem councillors up and down the country feel the same way, and they have been pressing their case to the Government. But up and down the country there are reports of councils having to do the opposite of what they are told by this Government. For example, Conservative-run North Yorkshire county council, which plans to close more than half its 42 libraries and two thirds of its residential care homes, cut £10 million from the highway maintenance, road safety, countryside and arts budgets. It also cut bus subsidies, even to rural areas. Ministers are being totally unrealistic about the problems that many councils now face. It is clear to us that the Government are not listening to them. Labour Members are listening, and I urge Members on both sides of the House to support the motion, including the hon. Member for Bradford East and his colleagues.

9.44 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): This has been a robust debate and is none the worse for that perhaps. The subject is important and there are rightly strong views on it. Many Members have spoken and I shall start by apologising in advance if I do not manage to mention individually the speech of every one of the 25 Members who spoke. I hope, however, that I can pick up on certain themes.

There have been some considered and thoughtful speeches from hon. Members on both sides of the House. Issues of genuine concern have been raised by Members on both sides and I shall come back to those in a moment. I regret to say that, in some cases, however, the seriousness of the debate has not been served by the simplicity and shroud-waving and by some of the clichés that have been used as Members have injected more and more purple passages. That does not help in dealing with this serious matter, because the Government have never made any secret of the fact that the circumstances facing local authorities are difficult. We have been honest about that and it is to the credit of my hon. Friends from the Liberal Democrats that, when they came into government, they had the courage to recognise that the circumstances facing the country were grave. They deserve better service than the carping from Opposition Members who have not yet had the decency to admit their responsibility for the mess that the country is in or to come up with a constructive alternative.

[Robert Neill]

Let me say to the hon. Member for St Helens North (Mr Watts) that he need have no fears about my health. I would fear, however, for the health of the nation's economy if he were to be let loose, on the basis of what he and his right hon. and hon. Friends have done already.

It is against that background that it is necessary for us to take difficult and regrettable measures. I spent 16 years in local government, initially during the time when Denis Healey was going to the IMF and Jim Callaghan was telling local government that the party was over. I shall not brook any lessons from Opposition Members about the effects of Labour economic mismanagement on local authorities. Yet again, my hon. Friends and I find that we have to pick up the pieces. I accept that there are tough decisions, but they have come about because of the wreck and the train crash that the previous Government made of the economy.

Let me consider some of the propositions in the motion. There is a criticism of the percentages, but it starts from a basic error. It complains that

"councils will lose, on average, 27 per cent....compared to 11 per cent., on average, for Whitehall departments"

There is a sleight of hand in that, because the average figure includes the protected Departments. Unless Labour is going to tell us that it was not going to protect those Departments, the second line of its motion does not compare like with like. Frankly, it is intellectually questionable on that basis. The motion

"regrets the frontloading of reductions",

but sadly, because of the extent of our economic inheritance, there should be a swift move to deal with deficit reduction. All people have to work together in that.

Ironically, we see from the Treasury proposals left behind by the previous Government that they intended to make cuts of 14% in the first year and 11% in the second year. That might be a type of front loading. I do not think we will take any lectures on that from Opposition Members either.

Let me turn to the question of the unexpected severity. My right hon. Friend the Secretary of State pointed out that the previous Chancellor and the previous Prime Minister already made it clear that should Labour—unfortunately for the country—have been returned at the election, there would have been significant cuts. We have simply been honest about it and shouldered the burden that they neglected to take on board. We do not need to take any lessons there.

Karl Turner: Will the Minister give way?

Robert Neill: I shall, because the hon. Gentleman has been very vocal all night.

Karl Turner: It seems rather contradictory for the Minister to say on the one hand that we did not have a plan to reduce the deficit and on the other hand that we seemingly did. Which is it? Come on, Minister.

Robert Neill: The hon. Gentleman gets it right. Seemingly none of us knows what Labour's plan was and the Leader of the Opposition does not know either. I assume that the hon. Gentleman will progress rapidly to the Front Bench, as he is as vague on policy as the leader of his party. If that is the best the hon. Gentleman can do by way of intervention, I suggest he saves his knees the trouble in future.

May I just—*[Interruption.]*

Mr Speaker: Order. Will the hon. Gentleman resume his seat for a moment? It is always a pleasure to listen to him, but he is swivelling and perambulating. I want to hang upon his every word; he must address the House.

Robert Neill: I shall do my best, despite the noise.

What we have seen today is an exhibition of wriggling by the Opposition. They have failed to take on board serious concerns raised by hon. Members. Reference was made to my hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes)—*[Interruption.]* I was actually looking at you, Mr Speaker; I think that is courteous too. Reference was also made to my hon. Friend the Member for Bradford East (Mr Ward). Hon. Members have made serious points. The need for deficit reduction does not brook significant delay, but fair points have been made about it being appropriate to look not just at formula grant but at other spending powers available to local authorities. My right hon. Friend the Secretary of State has indicated that we are continuing to do that. We have taken steps to roll more grant into the formula grant, so the arguments that were made on that issue do not sensibly contrast like with like.

We have sought to give more flexibility in these undoubtedly difficult times by ending the ring-fencing of all revenue grants from 2011-12—something that the Labour Government never got around to doing. We are including single, non-ring-fenced, early-intervention grant worth about £2 billion. We are significantly simplifying and streamlining grant funding by rolling about £4 billion of grants in 2010-11 into the unhypothecated formula grant and reducing the total number of grants from 90 to 10. All those measures are designed to bring much greater transparency, as hon. Members on the Government side have pointed out. Despite their 13 years in office, the previous Government neglected to do that, so we need not take lessons from them on fairness or transparency.

As the Secretary of State has indicated, we are continuing the system of floor protection, which will help the most vulnerable authorities. That degree of ring-fencing, plus the other, greater freedoms that will be given in the decentralisation Bill that will be introduced shortly, will significantly assist local authorities in directing their resources to the most vulnerable. The fact that resources are limited is entirely the responsibility of Opposition Members rather than Government Members and the Opposition should never seek to wriggle out of that.

Let me congratulate one or two hon. Members in particular. My hon. Friend the Member for Meon Valley (George Hollingbery) made a particularly thoughtful and considered speech. He talked about the inevitability of floors and ceilings in the current system and the fact that there are real concerns in shire areas as well as urban areas. Any Government have to carry out a balancing act and that is what we seek to do. He and other hon. Members rightly referred to the need to move away from a formula that is past its sell-by date. Unlike our predecessors, this Government have grasped

that nettle and committed to a swift review of local government resource in the first six months of next year.

My hon. Friend the Member for Bermondsey and Old Southwark made fair points on behalf of London councils and the Local Government Association. The Secretary of State has met LGA representatives, and let me tell the hon. Member for Stockton North (Alex Cunningham) that I am happy to meet his fire authority; I have met a number of others already. We are protecting fire services, which are getting a lesser degree of reduction, and the profile is different, so steps are being taken in that regard. I will happily meet any authority that seeks to discuss these issues with me.

My hon. Friend the Member for Halesowen and Rowley Regis (James Morris) made an exceedingly well informed and powerful speech. He talked about the need, at times such as these, to move to greater transparency. It was pretty telling that certain Opposition Members rather jeered at the mention of the £500 in relation to transparency. That shows a patronising attitude towards putting ordinary people in the driving seat. Perhaps that is the difference between the Government and the Opposition on this issue.

My hon. Friend the Member for Croydon Central (Gavin Barwell) carried out a comprehensive demolition job on the speech by the shadow Secretary of State, the right hon. Member for Don Valley (Caroline Flint), and the entire proposition behind the Opposition's motion. The previous Government were going to cut, and they would have cut as deeply. They were going to eliminate the deficit; the argument was over timing. The state that we discovered when we came into government meant that swift measures were necessary. To pretend otherwise is to behave like the people who set fire to the house and then blame the fire brigade when it comes in to put the fire out. The intellectual bankruptcy of the Opposition is shown by the approach that they have adopted to these matters.

I say to the hon. Member for Mitcham and Morden (Siobhain McDonagh)—whom I have known in London government for a long time—yes, I accept that there are councils of all political complexions trying hard in difficult times. My own council is doing so, as is hers. Equally, she will understand that, despite the sympathy that we have for those difficulties, as anyone in the business world will tell her, it is often best and most sensible to take steps towards restructuring at an early stage. That is particularly appropriate in the case of local authorities with a full range of functions. There are good examples not only in London, but across the country of local authorities making real structural and operational change. That needs to be done quickly.

I appreciate the point made by a number of hon. Members about capitalisation. I understand what is said, but it should be remembered that we are making £200 million available for non-equal pay capitalisation. Capitalisation is an exception to the normal accounting processes. Because capitalisation is permission to borrow, that ultimately has impacts upon revenue spend because it has to be paid back. It must therefore be strictly controlled. Although I understand that councils will inevitably say they want more, Government must be realistic and set limits to an exception to the normal process.

That we are not being dogmatic is reflected in the fact that we have adopted a different profile in relation to fire authorities, because experience shows that it takes single-purpose authorities longer to reconfigure their working arrangements than those that have a range of purposes which can be more effectively shared. We have been sensible and proportionate in our approach.

The Secretary of State stressed—I hope Members from all sides will take this on board, as there seemed to be a degree of consensus on the matter—that it is important that local authorities do not resort to the old-fashioned way of salami slicing and, in particular, cutting grant to the voluntary sector. That is usually important. We will fail if local authorities go back to the tried old ways of doing things. We want to encourage them to do otherwise.

That is why, in the localism Bill, we will establish new rights for voluntary and community groups to deliver local services. That is why the Government have created a transition fund of £100 million to be spent in 2010-11. It will support the voluntary and community sector during the first year of the spending round. Through the localism Bill we will also give voluntary and community groups the right to challenge local authorities where they believe that they can run services differently or better. There is a raft of measures to support the voluntary sector, none of which was adopted by the previous Government in their 13 years in office—another example to demonstrate why we need take no lessons.

Hazel Blears: Will the Minister give way?

Robert Neill: To the right hon. Lady I will always give way.

Hazel Blears: I thank the right hon. Gentleman. Does he acknowledge that the gap in voluntary sector funding is likely to be in the region of £3 billion as a result of local government cuts, and his £100 million transitional fund is a drop in the ocean?

Robert Neill *rose*—

Mr Alan Campbell (Tynemouth) (Lab) *claimed to move the closure* (*Standing Order No. 36*).

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 197, Noes 316.

Division No. 144] **[9.59 pm**

AYES

Abbott, Ms Diane	Benton, Mr Joe
Ainsworth, rh Mr Bob	Berger, Luciana
Alexander, rh Mr Douglas	Betts, Mr Clive
Alexander, Heidi	Blackman-Woods, Roberta
Ali, Rushanara	Blears, rh Hazel
Austin, Ian	Blenkinsop, Tom
Bailey, Mr Adrian	Blomfield, Paul
Bain, Mr William	Blunkett, rh Mr David
Balls, rh Ed	Bradshaw, rh Mr Ben
Barron, rh Mr Kevin	Brennan, Kevin
Begg, Miss Anne	Brown, Lyn
Bell, Sir Stuart	Brown, rh Mr Nicholas
Benn, rh Hilary	Brown, Mr Russell

Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robinson, Mr Geoffrey
Rotheram, Steve
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Soulsby, Sir Peter
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Ward, Mr David
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Ayes:
Graham Jones and Lilian Greenwood

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac

Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Greening, Justine
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Hughes, Simon
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mark Hunter

Question accordingly negatived.

Paul Farrelly (Newcastle-under-Lyme) (Lab): On a point of order, Mr Speaker, the next motion on the Order Paper is about the time the House will have to debate university tuition fees, which is a huge issue for students and their families in this country. In 2003, the White Paper was published a full year before the vote, and in 2005, whether some of us liked the policy or not, the Government put their proposals to the general public at an election. In contrast, this year nobody voted for these plans and we have been told that we have only three hours for debate and no time for discussion of whether that is a proper amount of time for the House. Mr Speaker, could you advise us how the House can place on record its unease about how the vote is, frankly, being rushed through, and how coalition Ministers are running scared of proper debate and examination of their plans?

Mr Speaker: The short answer to the hon. Gentleman's inquiry about how best he can register his concern is that, as I think he knows, he has just done so. It is very clearly on the record. As a very experienced Member of this House, he will also be aware that the form of such a motion and the question of whether it is debatable is not a matter for the Chair. However, the hon. Gentleman has registered the point and I hope that he feels pleased to have done so.

Greg Mulholland (Leeds North West) (LD): Further to that point of order, Mr Speaker. May I ask the Chair how much time Back-Bench MPs will get to speak in the three-hour debate on Thursday? That is an issue of

[Greg Mulholland]

huge concern to many hon. Members, who feel that there is insufficient time to debate a matter of such huge importance to ourselves and our constituents all round the country.

Mr Speaker: The short answer to the hon. Gentleman is that he can ask me how long there will be for Back Benchers to speak—proof of that is that he has done so—but I am afraid that I am unable to give him an answer to that question. What I can say to him is twofold: first, as he knows, I am always keen that Back Benchers in this place should get the maximum opportunity to put their case; and secondly, the Leader of the House and the Deputy Leader of the House are both present, fortuitously or otherwise, and they have heard the hon. Gentleman's point of order.

Business without Debate

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Thursday 9 December, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Secretary Vince Cable relating to Higher Education Higher Amounts not later than three hours after the start of proceedings on the Motion; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply. —*(Sir George Young.)*

Hon. Members: Object.

Mr Speaker: I was about to say that the Question is as on the Order Paper, as many as are of that opinion say Aye.

Hon. Members: Aye.

Hon. Members: Object.

Mr Speaker: Objection taken. *[Interruption.]* Order. The Government Chief Whip has absolutely no business whatsoever shouting from a sedentary position. He—*[Interruption.]* Order. The right hon. Gentleman will remain in the Chamber. He has absolutely no business scurrying out of the Chamber. *[Interruption.]* Order. The Chief Whip has absolutely no business—

The Parliamentary Secretary to the Treasury (Mr Patrick McLoughlin): We all saw you.

Mr Speaker: Order. The right hon. Gentleman has no business behaving in that way. The objection has been registered, and it has been registered in a perfectly proper way. I thought it proper to put the Question. The objection had been registered, and it was registered clearly. The right hon. Gentleman has nothing about which to complain.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRONIC COMMUNICATIONS

That the draft Wireless Telegraphy Act 2006 (Directions to OFCOM) Order 2010, which was laid before this House on 27 July, be approved. —*(James Duddridge.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ANIMALS

That the draft Welfare of Farmed Animals (England) (Amendment) Regulations 2010, which were laid before this House on 8 November, be approved. —*(James Duddridge.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

RIGHT OF INFORMATION IN CRIMINAL PROCEEDINGS

That this House takes note of European Union Document No. 12564/10 and Addenda 1 and 2, Draft Directive of the European Parliament and of the Council on the right to information in criminal proceedings; and endorses the Government's support of the proposal to ensure that individuals subject to criminal proceedings across the EU are given timely information about their rights, information on the accusation against them and access to evidence. —*(James Duddridge.)*

Question agreed to.

JOINT COMMITTEE ON CONSOLIDATION, &C., BILLS

Ordered,

That Mr Robert Buckland, Martin Caton, Mrs Jenny Chapman, Damian Collins, Jim Dobbin, Mr Stephen Dorrell, Charlie Elphicke, Paul Farrelly, Yvonne Fovargue, Jesse Norman, Sir Robert Smith and Justin Tomlinson be members of the Select Committee appointed to join with a Committee of the Lords as the Joint Committee on Consolidation, &c., Bills. —*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

Royal Fleet Auxiliary

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

10.18 pm

John McDonnell (Hayes and Harlington) (Lab): I refer to my entry in the Register of Members' Financial Interests as the convenor of the National Union of Rail, Maritime and Transport Workers parliamentary—*[Interruption.]*

Mr Speaker: Order. I apologise to the hon. Gentleman. May I appeal—*[Interruption.]* Order. May I simply appeal to Members who are leaving the Chamber to do so quickly and quietly? It is quite simply a matter of courtesy—nothing more, nothing less.

John McDonnell: Thank you, Mr Speaker.

I refer to my interest as the convenor of the RMT group of MPs. I requested this debate to draw attention to and applaud the work of the Royal Fleet Auxiliary, and to raise concerns about its future in the face of looming cuts to ships and crew, and the threat of privatisation.

In the statement to the House on the strategic defence and security review, the Secretary of State for Defence made no reference to the Royal Fleet Auxiliary, nor is there a reference to it in the document. However, in the supporting documents, the future of the RFA is explained more specifically. It is clear from the policy briefing that there will be a range of cuts to ships:

"We plan to withdraw from service one Landing Ship Dock Auxiliary, one Auxiliary Oiler and one Auxiliary Oiler replenishment."

It goes on to state that there will be personnel cuts:

"The Department has announced that there will be sizeable reductions in the number of civilians employed by MOD. The RFA will bear its share of these. The future manpower strength of the RFA will reflect its reduced size. Details will be announced in due course."

More specific details were announced in a memorandum from Commodore Bill Walworth:

"SDSR for the RFA means we will lose a tanker, probably Bayleaf, an LSD(A)"

landing ship auxiliary—

"probably Largs Bay, and an AOR"

auxiliary oiler replenisher—

"probably Fort George."

He stated that that would probably happen by April 2011. At the same time, we heard about the regeneration of Fort Austin, which is certainly welcome.

Dr Julian Lewis (New Forest East) (Con): I am extremely surprised and alarmed at the suggestion that one of the Bay class ships might be disposed of. Those ships are brand new and have enormous military value, so much so that the Royal Navy has cast covetous eyes on them in the past, thinking that they ought to be fully RN-manned. Is the hon. Gentleman absolutely certain that there is a suggestion that Largs Bay might be disposed of so early in its service life?

John McDonnell: I can only refer the hon. Gentleman to the memorandum from Commodore Bill Walworth, who is responsible for the RFA, which specifically names those ships. I think that it is now in the public domain as a result of reports in *Lloyd's List*. We will know the situation more clearly by April 2011, but those ships have been identified. I agree with the hon. Gentleman that it is worrying that a relatively new craft is concerned.

Further reviews are taking place, in particular the value for money review. The value for money review undertaken by the previous Government came to conclusions about the future of the RFA and its retention in the public sector. A further value for money review is linked to the SDSR and the comprehensive spending review. It looks as though the proposals, again according to a memorandum from Commodore Walworth, identify a target figure of 10% savings, which includes a significant number of personnel. If 10% is translated across, 220-odd seafarers could be faced with redundancy.

Anxieties have been raised in the various memorandums and documents that have entered the public domain about the potential privatisation of the service. A letter from Commodore Bill Walworth that I believe went to all personnel, including the unions, refers to a benchmarking exercise that has taken place with the shipping industry that was

"intended to demonstrate the value for money of the operational outputs that we all deliver."

Benchmarking is perfectly appropriate if we are trying to ensure that there is value for money, but I have anxieties because of a further e-mail that is quoted in *Lloyd's List*—I am not sure whether it has leaked or is in the public domain. It is from the RFA's value for money review group:

"To date there has been work carried out to establish baseline costings of the RFA to inform the review and establish a set of requirements for the RFA that is understandable to"

the shipping industry. It continues:

"Two members of the Review Group will approach"

the shipping industry

"shortly to gauge their appetite to conduct the range of operations carried out by the RFA…This will probably start next week and we can anticipate some press interest.

RFA management has been involved in this work, to ensure that the private sector understands what is required to replicate current activity.

We will continue to work to ensure that when commercial offers are considered by the Review Group they take into account all that the RFA offers alongside that of the commercial options."

Mr Edward Leigh (Gainsborough) (Con): The hon. Gentleman should be congratulated on securing the debate, which gives us an opportunity to say that the Government must be aware that the Royal Fleet Auxiliary, with its unique place in our maritime history, is held in very warm regard on the Conservative Benches. Any attempt to privatise it, or to deal with it through death by a thousand cuts, will be fiercely resisted.

John McDonnell: I welcome the hon. Gentleman's comments. My reason for seeking the debate was to get some clarity from the Government about what their intentions are, because at the moment we rely on e-mails circulated within the service itself appearing in *Lloyd's List*.

The information that has been put into the public domain has left the RFA in an extremely worrying climate of uncertainty, which is not good for the service, certainly not good for the RFA personnel and their families, and not good, I believe, for the defence of the country.

[John McDonnell]

It is worth reminding ourselves of the long and proud history of the RFA, which the hon. Gentleman has just touched upon. It celebrated its centenary in 2005, having started life in 1905 to give the Royal Navy capability and support at sea, food, fuel, ammunition and supplies. Its motto is "Ready for Anything". It has always been crewed by civilians, who act as reservists, and has played a major role in every engagement of the past century. RFA officers and ratings delivered distinguished and professional support in every naval theatre of operations in the second world war, from the Arctic to the Pacific. Since then, the RFA has served to support the Royal Navy and Army in Korea, Suez, Cyprus, Kuwait, Borneo, Belize, Aden and even the Icelandic cod wars.

Stephen Pound (Ealing North) (Lab): My hon. Friend reads out that roll of very considerable honour, so I am sure he needs no reminding that the RFA vessel Sir Galahad suffered fatalities in the Falklands. Those who crewed that ship died for our country at that time.

John McDonnell: I can only say that it reflects the professionalism, commitment, courage and determination of the officers who served on the Sir Galahad that they held to their task throughout the period of being blitzed.

More recently, the RFA played a crucial role in the Gulf war and was cited by the Select Committee on Defence for its vital contribution through the effective delivery of logistics and support. Its crews are civilian and follow the merchant navy training qualification pathways, but over the years it has developed specialist training in helicopters, firefighting, the use of defence systems, specialist navigations, naval communication systems and command systems. It now provides amphibious support and strategic sealift facilities, and provides casualty reception and forward repair functions.

Interestingly, an element of the RFA's work that has not been sufficiently highlighted in the past is its role following natural disasters. It has provided aid and support, playing a key role in a number of African countries, in Sri Lanka and in the Caribbean. It is now working heavily alongside the US coastguard to tackle drug smuggling operations, and some may have read in the past month that RFA Fort Victoria, in a patrol between Somalia and the coast of the Seychelles, intercepted Somali pirates. That is an incredible record of professionalism, service, courage and determination, and the service is a world leader in its field.

There are 2,300 seafarers in the RFA, and they are employed under RFA conditions of service, which reflect their need to serve in war zones and face war hazards at times. The cost is £100 million. It is cost effective and highly efficient, but stretched to meet existing demands.

Sarah Newton (Truro and Falmouth) (Con): I thank the hon. Gentleman for securing this debate, and I would like to associate myself with his comments on the excellent service that the RFA provides. Does he agree that there is real innovation in how it works with industry? In particular, I am thinking of A&P, the ship repairer at my port of Falmouth, which in the Minister's own words has delivered excellent value for money.

John McDonnell: I have the Minister's response to the hon. Lady's parliamentary questions demonstrating the RFA's broader contribution to what is described as the maritime cluster and the excellent role the service provides beyond the narrow remit of logistics.

If there are to be cutbacks to ships and crew, many of us will be extremely concerned. There is already pressure on this severely stretched service, and further cuts will undermine the service's potential. It is an ever-changing world. We cannot judge what the challenges will be in the future, so we need to retain the capacity to respond to threats and disasters that might occur. However, it is extremely doubtful whether, with the planned cuts, the threat of privatisation and the cutbacks in personnel, the service would be able to respond to those challenges. The whole edifice of the RFA will be put at risk if the cuts go ahead.

There are wider ramifications for the maritime industry. The RFA is now the major employer of UK officers and ratings. It has gone down from 30,000 UK officers and ratings in 1980 to fewer than 9,000 today, and the RFA is the largest single employer. Cuts on this scale would significantly reduce our national pool of merchant seafarers, deny opportunities to the next generation and damage what we describe now as the maritime cluster and our ability to rise to future challenges in terms of both the Merchant Navy and the Royal Navy. It would also be a devastating blow to the morale of the existing personnel.

If job cuts are to happen, may I suggest to the Minister that, given the age profile of current serving personnel, they could be achieved through natural wastage rather than redundancies? However, my intention is to persuade the Government not to pursue any further jobs cuts or closures of ship or craft at all.

On the threat of privatisation, there is concern that the service could, if privatised, be subject to commercial pressures of the market that would not maintain the long-term commitment to the service required. The search for short-term profits by sweating the assets, as we have seen in other privatisations, could undermine the service. It is a risky enterprise. Also, if it is privatised, it is highly likely that it would be taken over by a foreign-owned company, with the potential for a foreign crew. Again, Maersk, the Danish conglomerate, has already expressed an interest. However, there are strategic and political sensitivities, if not risks, if such a key strategic service is no longer in the ownership and control of the state it serves. This is not a back-room function; it is a front-line service operating in war zones.

Before the Minister responds, my hon. Friend the Member for North Durham (Mr Jones) would like to say a few words, because he played a role in the last Government on this issue. May I quickly say, therefore, that if the cuts, or the threat of privatisation, go ahead, there will be a sense of grievance and anger at the thought that this service and its personnel, with a history of courageous and effective service, could be sold off to the highest bidder from wherever.

I warn the Government that there would be a backlash. Yes, it would be led first by the unions, but there would be a much wider sense of betrayal in the wider community. I therefore urge the Government to make clear their intentions for the future of the RFA and reject the cutbacks and privatisation. On behalf of the RMT, Nautilus will feel the same—I would welcome a meeting

with the Minister to talk through the issues facing the RFA and to look to plan its long-term future. The service is too important to allow considerations of short-term savings to put it at long-term risk. I urge the Minister to think carefully before any further decisions are made.

Several hon. Members *rose—*

Mr Speaker: Order. Before I call the hon. Member for North Durham (Mr Jones), I emphasise that I would like the Minister to have 10 minutes in which to reply to the debate, so the hon. Gentleman needs to finish by 10.38 pm.

10.34 pm

Mr Kevan Jones (North Durham) (Lab): I congratulate my hon. Friend the Member for Hayes and Harlington (John McDonnell) on securing this important debate. I know from my time as a Minister at the Ministry of Defence that he has always been a strong advocate for the Royal Fleet Auxiliary. I would like to join him in paying tribute to the bravery of the men and women of the RFA who put themselves in harm's way to support the Royal Navy and who have, as my hon. Friend eloquently pointed out, won numerous honours in the century of the RFA's history. I should also like to put on record my tribute to the important work of the Royal Fleet Auxiliary Association, which works tirelessly to support members of the RFA, as well as former members and their families.

Anyone who has spoken to individuals who have served in the Royal Navy will know of the value that the Royal Navy places on the work of the RFA. It has an important resupply role, and, as a Minister, I was humbled to see the technical expertise that it employs for refuelling at sea, for example. Its role is not only logistical, however. It is currently engaged in supporting the training of the Iraqi army; mine-sweeping around the Gulf; contributing to anti-piracy protection; working in the Caribbean; assisting with training exercises; and carrying out anti-smuggling work. That explains that its role is not just a logistical one; it also plays a role in supporting the Royal Navy. It is also important to highlight the work that it does in its own right.

My hon. Friend has already pointed out that the RFA is now the largest single employer of British seafarers and officers, including some 2,300 seafarers who live all over the UK. I am honoured to have a number of them living in my constituency. The strategic defence and security review did not provide them with the clarity about their future that they need.

When I was at the Ministry of Defence, I commissioned a value-for-money review—under pressure from the Treasury, I hasten to add—into the Royal Fleet Auxiliary. I know that the report was completed by the time of the last election. I would be interested to hear from the Minister what role the report has played in the decisions that were taken in the strategic defence and security review. What my hon. Friend has described tonight is the kind of salami-slicing that the Defence Secretary said he did not want. I fear that we might be seeing a return to the cost-driven, ill-informed logic from the Treasury that I faced when I was a Minister. Such logic says that those individuals in the RFA can be replaced by civilian contractors, not recognising the fact that they put themselves in harm's way and do a valuable job on our behalf. I would like to know the status of that review and its conclusions, and whether they are to be published.

It is important to get some clarity for our brave servicemen and women of the Royal Fleet Auxiliary. It is a strategic resource with a proud history, and it is important to end the uncertainty hanging over it, which I was conscious needed to be brought to a conclusion very quickly, away from the pressure from the Treasury. We need some clarity very soon, so that those brave servicemen and women can know that they have a future and can continue to play their vital role in the defence of this country.

10.38 pm

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I congratulate the hon. Member for Hayes and Harlington (John McDonnell) on securing this Adjournment debate on the very important issue of the future of the Royal Fleet Auxiliary, and on providing me with an opportunity to speak on the issue, albeit rather more briefly than I had expected. I understand his relationship with the National Union of Rail, Maritime and Transport Workers, and I applaud him for speaking up for the work force. I absolutely accept that that is right and proper. I will put a plug in for myself and mention that, when I first came into the House—in 1983, I think—I served on the Employment Select Committee, as it then was, and instigated and chaired an inquiry into employment in the merchant navy, which was then under serious pressure—as indeed it has been since.

I shall deal in a few moments with the review mentioned by the hon. Member for North Durham (Mr Jones). I say to everyone in the Chamber—there is a surprisingly large number of Members present for an Adjournment debate—that this is not the place from which we would have wished to start. I do not want to get into party political point scoring, but everyone understands that we are in a difficult financial and economic situation and that the Government cannot go on spending money that they do not have.

Dr Lewis: I fully appreciate the financial hole in which the Government find themselves, but surely it is a false economy when money has been spent on brand-new vessels such as the Bay class even to think of disposing of them at such an early stage of their lives.

Mr Robathan: As I said a moment ago, no one would have wished to start from here, but we have to look at all options. Some programmes in the defence budget have already been cancelled—they have been announced—even though we have spent a lot of money on them. We did not wish to do so, but we had no further money to pour into them.

Let me speak briefly about the Royal Fleet Auxiliary. It was established in 1905, providing coaling ships to supply the Royal Navy's network of bases around the world. It has continued to evolve into what we see today in the global reach that the RFA delivers for defence and the Royal Navy. Although its origins are the merchant navy, the RFA has developed in a specialised way to meet the Royal Navy's requirements. It is linked to the Royal Navy by heritage, which has been mentioned, tasks, management, chain of command and ethos.

[Mr Robathan]

The commercial merchant navy has had a long history of working with the Royal Navy over many centuries and has had to fight and defend itself to develop commerce around the world. Defending itself against piracy, for instance, is not a new challenge. More recently, developments in warfare and warships, specialisation of commercial ships and their design limit the utility of commercial shipping to providing core support to military operations. While commercial shipping has little knowledge of warfare, over the past 30 years the RFA has developed to meet the specialised needs of 21st century warfare.

The RFA is the modern example of merchant shipping working and prepared to fight alongside the Royal Navy. It is the means by which the Navy operates globally. Equally exposed to the risk, it is a key enabler for worldwide reach of the UK's armed forces. The RFA has essential qualities that make it different, as the hon. Member for Hayes and Harlington said, and that enable it to deliver operational quality effectively to the Ministry of Defence and the Navy, blending the commercial manning and ship management models into military operations. As a result of the versatility of the ships and the knowledge that the work force has accumulated over many years, the RFA has become a deliverer of operational capability as well as an enabler.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I congratulate the hon. Member for Hayes and Harlington (John McDonnell) on securing this debate. May I ask the Minister whether he would be willing to consider Plymouth as one of the homes of the port basing when he has to decide the location?

Mr Robathan: My parents-in-law live just outside Plymouth, which might make this a bit personal. We will consider and review everything, but I make no promises one way or the other to my hon. Friend.

The responsibilities of today's RFA are far from commercial in nature, but wholly integral to the Royal Navy's continued deployments and presence around the world. For instance, RFA ships currently operating east of Suez are part of the wider maritime security effort for stability in the region. RFA Cardigan Bay is in the northern Gulf and is the logistics hub supporting the training base for the Iraqi navy, defending its oil platforms. RFA Lyme Bay is the headquarters ship for allied mine counter-measure ships. Fort Victoria has a large team of Royal Marines, a number of boats and a Merlin helicopter and is working with HMS Northumberland on counter-piracy operations off the Somali coast. I suppose I cannot use visual aids, but there is a very good one on the front of the magazine, *Navy News*. I cannot show it, but it says "Busted" and it is about an RFA ship.

Without describing the RFA in too much detail, I turn to deal with the review, as I believe that it is the review and the strategic defence and security review that really concern the hon. Member for Hayes and Harlington. The RFA's novel approach to delivering maritime operational support is not bought at the expense of its professionalism. I pay tribute, as did the hon. Gentleman, to the work of the RFA and the dedication of its staff.

The review of the RFA was initiated by the previous Administration. Some have suggested that it was driven by a decision to commercialise the RFA. It says here that I cannot speak for the intention of the last Administration, but I was glad to hear the hon. Member for North Durham explain that it was indeed driven by the Treasury.

Mr Jones: It was.

Mr Robathan: I believe that candour is important in politics.

The Government are anxious to ensure that we deliver the capability that is required, and do so as efficiently as possible. To that end, we undertook an informal market exercise over the summer to test the assertion by some that industry could deliver the tasks currently conducted by the RFA more efficiently. I should emphasise that that was not a formal process, but was undertaken to ascertain the extent to which the question was worth addressing—as some, including my hon. Friend the Member for Canterbury (Mr Brazier), who questioned General Richards a few days ago, have suggested it is.

While there was strong commercial interest in contractorisation of the RFA and the industry would be prepared to operate the service at all threat levels, and although the study concluded that there might be scope for some market efficiency savings, no enthusiasm was expressed for either acquiring the existing RFA flotilla—in whole or in part—or assuming both the capital and operating risks. On that basis, therefore, there is insufficient evidence in favour of changing the current RFA business model, which has served us well for a number of years. However, we are keen to ensure that it delivers the required responsibilities as efficiently as possible.

The strategic defence and security review has involved some very difficult but unavoidable decisions for the armed forces, none of which has been made lightly. They will lead to changes in the size of the RFA that will reflect the changing size and shape of the Royal Navy. Final decisions have not yet been made, beyond the decommissioning of one Bay class amphibious support ship that was part of the SDSR announcement in October. My right hon. Friend the Secretary of State hopes to be in a position to announce the detailed force structure changes shortly, but the House will understand that some reductions in the size of the RFA will be involved. They will include personnel reductions, but, like the hon. Member for Hayes and Harlington, we hope that they can be made as much as possible through natural wastage. The hon. Gentleman made a good point about the age profile of the work force.

The Department is currently discussing with the departmental trades unions the need for early release activity to manage what will, I fear, be surplus RFA manpower. Until those consultations end, I cannot give the details of how members of the RFA might be affected, or the terms on which reductions will be managed.

My speech has been rather curtailed, but let me end by saying that although the challenges to be faced by the RFA after the SDSR and the value for money study are not insignificant, they are challenges that we believe the organisation has accepted head on, and they reflect an element of the difficult decisions that we have had to make throughout the SDSR. What I understand is known, in nautical terms, as the headmark for the Government remains Future Force 2020. We need to manage expectations and uncertainty—which we do not like—for both uniformed and civilian personnel, and that will be a key leadership challenge at all levels.

Let me again commend the Royal Fleet Auxiliary for the work that it does, and for the capabilities it brings to the naval service and defence now and into the foreseeable future. I am always happy to have a talk with the hon. Member for Hayes and Harlington, and look forward to doing so again.

Question put and agreed to.

10.48 pm

House adjourned.

House of Commons

Tuesday 7 December 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked

Interim Cancer Drugs Fund

1. **Nigel Adams** (Selby and Ainsty) (Con): What recent assessment he has made of the effectiveness of the operation of the interim cancer drugs fund; and if he will make a statement. [28698]

12. **Alun Cairns** (Vale of Glamorgan) (Con): What recent representations he has received on the operation of the interim cancer drugs fund; and if he will make a statement. [28709]

The Secretary of State for Health (Mr Andrew Lansley): Clinically led arrangements are in place in all strategic health authorities for determining the best use of the additional funds that we have made available for cancer drugs from 1 October 2010. Information provided by SHAs shows that, as of 15 November, funding had been agreed for the treatment of more than 250 patients in England. I have received representations from hon. Members, noble Lords, and members of the public on how the interim arrangements for cancer drugs funding are operating. Many of those representations have welcomed the additional support we are giving to cancer patients in need.

Nigel Adams: I am grateful to the Secretary of State for his response. Last week, my constituent, Trudy Cusworth, received the news that she is to be given the cancer drug Avastin, despite the panel at St James's university hospital, Leeds initially refusing to do so. In this case, the emergency cancer drugs fund has done its job, but what can the Secretary of State say to assure other cancer patients in North Yorkshire who are also in desperate need of such life-prolonging drugs and who are currently being denied access to them?

Mr Lansley: I am grateful to my hon. Friend for his question. Indeed, I want to thank him for the support he has given to Trudy Cusworth. I am very pleased that she was able to take her case, with her clinicians, to the panel and that it has been approved. There are a number of people in the York and Selby area for whom that is true. The panels are working across the country to ensure additional access to cancer drug treatments where a clinical case is made for that.

Alun Cairns: My constituents are pretty angry and disappointed that the cancer drugs fund will not apply to them because health matters have been devolved to the National Assembly for Wales. Will the Secretary of State give an assurance that he will champion the merits of the policy in the hope of convincing the Welsh Assembly Government to follow the lead that he is offering?

Mr Lansley: I agree with my hon. Friend, who is obviously an advocate for his constituents to the Welsh Assembly Government. These are matters for the devolved Administrations and they must decide how to allocate their resources. In this instance we have shared with the devolved Administrations the consultation on the cancer drugs fund, which will start next April, although the policy proposed will apply in England alone.

Preventive Health Care

2. **Toby Perkins** (Chesterfield) (Lab): What recent representations he has received on the effect of the abolition of primary care trusts on the co-ordination of preventive health care. [28699]

The Minister of State, Department of Health (Paul Burstow): The Government have set out a number of proposals to support integrated working and preventive action, including ensuring that local councils take a key role in joining up local NHS services, social care and health improvement. There is a strong preventive focus in the NHS public health and social care outcome frameworks, and an additional £1 billion will be provided by 2014-15 for the NHS to support social care. Some of that money will be spent on preventive services. The public health White Paper sets out the Government's plans to return the leadership of public health to local government. That proposal has been widely welcomed.

Toby Perkins: Before the Secretary of State and the Minister embarked upon the biggest reorganisation of the NHS in the past 60 years, what consideration did they give to the impact that such changes will have on the co-ordination of services? Primary care trusts are being described as in meltdown at the moment. PCT staff whom I meet are deeply worried about the co-ordination of services, as linking such services is about so much more than the work of GPs.

Paul Burstow: Let me start with the point of agreement: this is about more than just the work of GPs. That is why the Government are proposing the establishment of health and well-being boards in local authorities to drive the integration that was never delivered under the Labour party. Services were not integrated and, for many people, services did not fit around their lives as a consequence. This Government will change that. It seems that the hon. Gentleman is putting forward the campaign slogan, "Save the PCT; don't trust your GP." That is not a good campaign slogan.

Nadine Dorries (Mid Bedfordshire) (Con): Will there be £2 billion going into two pots—one for public health and one for social care? What element of that budget will local authorities be able to use for preventive care? Some reports say that the budget is ring-fenced and some say that it is not, so some clarity would be appreciated.

Paul Burstow: In fact, there is a further pot of money, which relates to the proposals for a ring-fenced budget in respect of public health. One of the problems has been the NHS's raiding that pot to spend on other things. We believe that public health is a priority, and we will therefore ring-fence those resources in future. The £1 billion that will go into social care directly through the local government settlement will be available for local government to support social care services. The £1 billion that will go in via the NHS will also be there to support social care, but it will particularly address issues such as reablement and preventive services.

Liz Kendall (Leicester West) (Lab): The Government are abolishing all PCTs and handing £80 billion to GP consortiums that do not yet exist for services including the co-ordination of care. Is not this reorganisation a huge gamble for patients and taxpayers, which is why No. 10 and the Treasury are so concerned, as we see today in *The Independent*? Will the Minister finally agree to publish details about the financial assurance regime for GP consortiums, and will he guarantee that under his plans £80 billion of public money will be accountable to Parliament in the same way that it is today?

Paul Burstow: Of course the money will be accountable to Parliament, as it is now. The hon. Lady's comments reflect an interesting campaign that the Labour party has dreamed up, which is very much to ally itself with the interests of primary care trusts rather than those of patients and ensuring that we improve public services. This Government's proposals will improve the way in which services are commissioned, deliver better outcomes for patients up and down the country, and deliver the integration across health and social care that the previous Government failed to deliver.

GP-led Commissioning Consortiums

3. **Henry Smith** (Crawley) (Con): What recent progress he has made on the introduction of GP-led commissioning consortiums. [28700]

13. **Mark Lancaster** (Milton Keynes North) (Con): What recent progress he has made on the introduction of GP-led commissioning consortiums. [28710]

The Secretary of State for Health (Mr Andrew Lansley): On 21 October, I invited general practice-led commissioning consortiums to put themselves forward as pathfinders, and I have been absolutely delighted by the response. The pathfinder consortiums will be announced shortly. They have formed in response to the needs of local communities, and there is, sensibly, variation around the country to take account of those differing needs. Some consortiums map on to local authority boundaries; others organise themselves around catchments for hospitals or smaller populations. This bottom-up, locally determined approach is exactly in line with what we envisaged in the policy framework.

Henry Smith: Under the previous Government, Crawley hospital saw the removal of services such as accident and emergency and maternity. Can my right hon. Friend explain how, under the new GP-led consortiums, doctors will have the freedom and the flexibility to be able to refer their patients to local services if they so choose, as well as to new services?

Mr Lansley: That is exactly what our reforms will allow. We are putting not only the freedom to refer in the hands of general practices but choice in the hands of patients, and allying that to the power on the part of commissioners to commission services that meet the needs of their local community. That is precisely the change that will empower front-line clinicians and patients.

Mark Lancaster: Having consulted widely in Milton Keynes, I am pleased to say that the Government's plans have been broadly welcomed. However, one area of concern that has been raised with me by patients, in particular, is the amount of time that they will get to spend face to face with their GP. Can the Secretary of State reassure my constituents and outline the administrative support that GPs will get in fulfilling their new functions?

Mr Lansley: I am grateful to my hon. Friend. In Milton Keynes, GP Healthcare MK and Premier MK consortiums are shaping their services in order to be able to deliver better and improved services for their patients. We do not intend that all GPs individually should become managers, by any means; there will be clinical leadership, but the consortiums should have commissioning support. The primary care trust in Milton Keynes has had some good commissioning support arrangements, as I know from having visited it in the past. It is open to the new commissioning consortiums to take teams from the primary care trust into their new consortium support arrangements, but they can go elsewhere. They can look to the local authority and to the independent sector to provide them with the commissioning support that they need so that clinicians provide leadership but continue to be responsible for clinical care.

Mr Ben Bradshaw (Exeter) (Lab): What impact does the Secretary of State think that this change and the rest of the upheaval that he is inflicting on the health service will have on hospital waiting times?

Mr Lansley: I think that the reforms will have a positive impact on performance right across the NHS, because they will enable patients who want to exercise choice to see the quality and standard of services, including waiting times. Unlike in the past, they will be able to see waiting times for individual hospitals, rather than just a single target. They will be able to make choices based on information about the quality of services.

Derek Twigg (Halton) (Lab): If the reforms are so good, why have they been criticised by the chairman of the Royal College of General Practitioners, Dr Clare Gerada? She said:

"I think it is the end of the NHS as we currently know it, which is a national, unified health service".

The British Medical Association has expressed concerns about competition, and we hear in this morning's edition of *The Independent* from an unnamed "ally" of the Secretary of State that

"There is no wobble. No 10 and the Treasury are fully behind the principle of the reforms"

obviously a very brave ally. Why has the Prime Minister asked the Cabinet Office Minister who is in charge of Government policy to review the plans? Is it because the Secretary of State is the only one who believes in them?

Mr Lansley: The hon. Gentleman should not believe all that he reads in the newspapers. The curious thing is that the Minister with responsibility for Government policy is engaged with Government policy. That is a good and positive thing. The hon. Gentleman referred to the Royal College of General Practitioners and to Dr Gerada. In response to the White Paper, the RCGP said:

"General Practice is the central plank in our world-class healthcare system. The College thoroughly agrees that it makes a great deal of sense to give GPs, with their unique patient-centred perspective, a central role in commissioning and directing healthcare services."

Dr Gerada said:

"I fully support placing clinicians at the centre of commissioning decisions".

Mr Stephen Dorrell (Charnwood) (Con): I very much welcome the steps that my right hon. Friend is taking to encourage the early emergence of pathfinder consortiums, so that the shape of the new commissioning structure is made clear as quickly as possible. Given the nature of the quality, innovation, productivity and prevention challenge—QIPP—that the health service faces, does he agree that the process must be carried forward as quickly as possible so that the new framework is clear for all concerned as quickly as possible?

Mr Lansley: Yes, I do. I was delighted by the response of general practice to the emerging consortiums, because one of the central reasons it wants to make progress quickly is to shape clinical service redesign, which is at the heart of delivering the efficiency savings that will enable us all to improve outcomes.

David Miliband (South Shields) (Lab): The Secretary of State has said that GPs are the best people to manage the health service. Will he confirm that in the eight years of GP training, not a single hour is dedicated to the commissioning work that he has described?

Mr Lansley: The right hon. Gentleman should understand that what I said was that GPs are the best people to commission services. Commissioning and management are not the same thing. GPs are already responsible for commissioning most services in the NHS, but they have no power over resources and contracting. I intend to ally clinical leadership and commissioning decisions with commissioning support that involves management. The people who should determine the shape of local services to meet the needs of patients are those who are already at the heart of designing services and referring patients.

NHS Administration

4. **Andrew Stephenson** (Pendle) (Con): What recent representations he has received on management and administration costs in the NHS; and if he will make a statement. [28701]

The Minister of State, Department of Health (Mr Simon Burns): Administration costs across the health sector will reduce by a third in real terms over the spending review period. That is a £1.4 billion cash reduction and a £1.9 billion real-terms reduction, from a baseline of £5.1 billion. Every penny of the savings will be reinvested in front-line services.

Andrew Stephenson: I thank my hon. Friend for that answer. Will he give me and my constituents examples of how the billions that are saved will make a difference on the front line when invested in patient care?

Mr Burns: I am extremely grateful to my hon. Friend and I will certainly give such examples. Every penny that is saved by cutting excessive management and bureaucracy will be spent on providing health care and drugs for his and other hon. Members' constituents, and on ensuring that we have proper front-line services that provide the best quality care for all the people of England.

Nick Smith (Blaenau Gwent) (Lab): Due to the snow, many falls and fractures have been reported in my constituency and around the country in the last few days. What plans are there to cope with such winter pressures?

Mr Burns: I fully appreciate the hon. Gentleman's concern, because particularly at this time of the year and throughout the winter months there is both an extra duty on the NHS and an increased problem. I can assure him that for over a month now, as is the custom, the NHS has been meeting regularly to plan for the winter and ensure that we have the services in place to help those who suffer falls or illnesses due to the inclement weather.

Contaminated Blood Products

5. **Simon Kirby** (Brighton, Kemptown) (Con): On what date he expects to make an announcement on compensation for those infected by contaminated blood products supplied by the NHS. [28702]

The Minister of State, Department of Health (Paul Burstow): In October we announced a review of a number of aspects of Lord Archer's recommendations, including the level of ex gratia payments and the mechanism by which they are made, access to insurance, prescriptions charges and access to nursing and other care services. The Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton), expects to report the outcomes of the review by the end of the year.

Simon Kirby: I thank the Minister for his answer. Does he believe that, after all the years of inaction, that will draw a line under the matter?

Paul Burstow: The hon. Gentleman is absolutely right to indicate that the matter has not been dealt with thoroughly for many years, and that is why the Government have launched the review. Obviously I cannot pre-empt its outcomes, but we will bring it to the House as soon as we can.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Minister will be aware that no past Government have anything to be proud of in the way in which the

matter was dealt with, and that Members on both sides of the House have campaigned on the issue. People hope that the Government will be able to live up to the promise in the October debate of producing a review before Christmas. Thousands of sufferers of HIV and hepatitis C, and thousands of dependants, are waiting for the announcement.

Paul Burstow: The hon. Lady makes some very important points. As she rightly says, the matter was debated in the House only recently, and the Government are determined to ensure that we are in a position to report back on the review before Christmas.

Andrea Leadsom (South Northamptonshire) (Con): I know that the Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton), has done a lot of work on the review and is keen to see a fair settlement. May I urge Ministers to take into account the fact that this is perhaps one of the worst tragedies to have befallen the NHS in this country? Many people have suffered terribly, and I hope that Ministers will make every effort to ensure that those sufferers can at last receive closure.

Paul Burstow: I am grateful to the hon. Lady for her comments and will ensure that they are reported back to my hon. Friend the Under-Secretary for her consideration in the review.

Hospital Energy Consumption

6. **Paul Goggins** (Wythenshawe and Sale East) (Lab): What steps he is taking to reduce energy consumption in hospitals. [28703]

The Minister of State, Department of Health (Mr Simon Burns): The NHS continues to improve its energy efficiency. The Department provides guidance to the NHS and supports the NHS sustainable development unit, which promotes energy awareness and carbon management across health care providers. Hospitals are working with the Department for Business, Innovation and Skills to engage with suppliers who provide innovative solutions.

Paul Goggins: I thank the Minister for his answer and invite him to join me in congratulating all the staff at Wythenshawe hospital in my constituency, which was recently named overall winner this year in *The Guardian* public services award as the country's greenest hospital and for reducing energy emissions by 26%. What further pressure is he putting on other hospitals and health service providers to ensure that they follow that fine example?

Mr Burns: I am happy to join the right hon. Gentleman in congratulating the university hospital of south Manchester on its fantastic achievement and the award that it has won. As he knows, his local hospital did that by reducing its energy consumption and carbon emissions by 26% over the past three years in ways such as the greater use of biomass fuels. It is a fantastic achievement and the staff should be justifiably proud of it. They are a beacon for other hospitals to follow to reach the same level of sustainability, and I am delighted that a number of hospitals throughout the country are striving to reach the position of the one in his area. I am confident that through greater sharing of information and work, more and more hospitals will make their contribution to reducing carbon levels.

Miss Anne McIntosh (Thirsk and Malton) (Con): The Minister will be aware of the extreme weather conditions and extremely low temperatures of minus 17° C in and around Thirsk and in other parts of North Yorkshire where we have community hospitals and trust hospitals. Has he reviewed the impact on their funds of heating costs when low temperatures come so early in the winter and will carry on for such a long period?

Mr Burns: I can reassure my hon. Friend. She is absolutely right that the winter period and harsh weather impose extra costs, but I am pleased to tell her that partly through winter planning and partly through the experience of past years, hospitals are aware of that. They take into their planning and financial budgeting the possibility of weeks and perhaps longer—depending on the weather—when their costs will increase, and adjust to meet those demands. I am confident that bad weather will not impact on front-line services because of the work that hospitals do to account for it over the 52 weeks of the year.

Tuberculosis

7. **Annette Brooke** (Mid Dorset and North Poole) (LD): What assessment he has made of the Health Protection Agency's recent report on the incidence of tuberculosis. [28704]

The Secretary of State for Health (Mr Andrew Lansley): I welcome the Health Protection Agency's recent report on tuberculosis in the UK. There were 8,286 cases of TB in England in 2009, an increase of 4.3% on 2008. The rise has occurred mainly in people infected in countries where TB is common, who go on to develop active TB disease later in life.

Annette Brooke: I understand that that is a 30-year high. Evidence from New York shows that a co-ordinated approach across the city has made a real impact in controlling TB. How will the Secretary of State ensure that such co-ordination takes place, especially in cities, when GP-led commissioning is introduced?

Mr Lansley: The treatment services for individual patients will be commissioned through GP consortiums, but the identification and preventive work on TB is a public health responsibility. To that extent, I believe that we will be better placed to deal with it in future. Many local authorities—for example, in Birmingham, Manchester or Leeds—will be well placed as cities to respond to any incidence or outbreaks of TB on a preventive basis, using their powers as public health authorities.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): In response to my question on the publication of the White Paper about the more than 500 TB cases in Birmingham the Secretary of State confirmed that there would be no changes to what such cities could do to control TB outbreaks. Will he elaborate on his answer? What more can Birmingham do under the new arrangements to prevent such exceedingly high numbers?

Mr Lansley: We can do a number of things. For example, the Department has funded TB Alert, which is the UK's national TB charity, to raise awareness of TB among public and primary health care professionals, which will help. In London, we have supported a find-and-treat outreach service. In a similar vein, that could happen in cities where there is a rising prevalence of TB. TB is not general across the country, but likely to occur in particular areas. Those kind of initiatives enable us to identify TB outbreaks, and we can then structure services around that.

End-of-Life Care

8. **Penny Mordaunt** (Portsmouth North) (Con): What assessment he has made of the merits of steps to increase the standard of end-of-life care in an acute setting; and if he will make a statement. [28705]

The Minister of State, Department of Health (Paul Burstow): The Government are committed to increasing choice for people at the end of life, which will result in fewer people dying in hospital. However, there will always be a need for hospital-based end-of-life care. The national end-of-life care programme has published a guide for achieving quality in acute hospitals, which includes recommendations on holistic assessment, advance care planning, training, and improved multi-disciplinary working. The guide has been widely welcomed as a blueprint for improving the quality of end-of-life care.

Penny Mordaunt: Ministers will be aware of the Queen Alexandra hospital's withdrawal of its G5 service to create a mobile model of end-of-life care. That will extend services across the hospital, but my constituents and I have grave concerns at the number of quiet and appropriate beds that will be left. Will Ministers agree to meet me to discuss what can be done to encourage the QA to meet the public's concerns?

Paul Burstow: I am grateful to the hon. Lady for her question and I know that she has campaigned on that issue. She will know that on 25 October, the Secretary of State asked the independent reconfiguration panel to consider the issue that was raised by the Portsmouth health overview and scrutiny committee regarding a referral of ward G5. The advice has now been tendered, and the Secretary of State has asked the panel to undertake a full review of the case. He expects that report by March of next year and I am sure that during that period, conversations at ministerial level will be helpful.

Emily Thornberry (Islington South and Finsbury) (Lab): Most people want to die at home, but they are prevented from doing so by the lack of out-of-hours support. Also, 24/7 community nursing is popular with the National Audit Office because it saves money. Even the Government say it is crucial, so why do they not use some of the £3 billion they are wasting on top-down reorganisation to ensure that everybody gets a community nurse at the end of their life, if they want one? How can the Government guarantee care for the dying if they abolish primary care trusts?

Paul Burstow: Perhaps a little humility might have been a necessary preface to that question, including, not least, an acknowledgment that the hon. Lady's question is based on the failings of the previous Administration to deliver the necessary improvements in end-of-life care. On GP commissioning, there is undoubtedly an opportunity to integrate health and social care to deliver more timely and appropriate community-based end-of-life care, and we intend to deliver it.

Patient Information

9. **Jonathan Lord** (Woking) (Con): What steps he is taking to improve the information provided to patients on their diagnosis and treatment. [28706]

The Minister of State, Department of Health (Mr Simon Burns): As part of our White Paper reforms, a wide-ranging review of the information required to empower patients is in progress. Related current initiatives include the information standard scheme, information prescriptions and quality standards produced by the National Institute for Health and Clinical Excellence.

Jonathan Lord: I am grateful to the Minister for his reply. Currently good comparative data on the individual performance of doctors and surgeons are not readily available. How does he envisage compiling that data in a way that does not create too much bureaucracy or use up too much of doctors' valuable clinical time?

Mr Burns: My hon. Friend is absolutely right: if we are to put patients at the heart of an NHS in which it is their care and views that are important and drive the provision of health care, we must empower them by giving them information that is consistently accurate, unbiased and easily understandable. We are currently consulting on our information revolution papers, and we await a chance to study the responses. However, we are determined to empower patients by giving them far more information, so that they can exercise their right of choice to get what they deserve, which is the very best health care.

Keith Vaz (Leicester East) (Lab): I would like to declare an interest and remind the Minister that we currently spend £1 million an hour dealing with diabetes-related illnesses. One key way of helping to reduce that cost is giving patients diabetes tests and ensuring they get as much information as possible so that they can change their lifestyles.

Mr Burns: The right hon. Gentleman is absolutely right. We have to supply all patients, including those suffering from diabetes as well as other conditions, with as much information that they can understand as possible, so that they can make the choices about the health care they need. They also need to be backed up with advice from their GPs, community pharmacists and others in the health sector, because that will empower them to take decisions in their best interests to manage their medical condition.

Mr John Baron (Basildon and Billericay) (Con): The Government have rightly announced, in the consultation document on patient choice, that all patients with long-term conditions will be offered a care plan. May I urge the Minister to ensure that that will apply also to cancer patients?

Mr Burns: As my hon. Friend is aware, we are still consulting on that document and will consider the results of the consultation process before making any final decisions. On his specific point, however, my understanding is that that will be case.

Specialist Children's Hospitals

10. **Mr David Blunkett** (Sheffield, Brightside and Hillsborough) (Lab): What decisions he has reached in respect of additional funding for the purpose of the tariff applying to specialist children's hospitals. [28707]

The Secretary of State for Health (Mr Andrew Lansley): Following a very constructive meeting with the specialist children's hospitals on Friday 3 December, I am pleased to be able to tell the House that we are working on a proposal to set the top-up payment for specialised services for children at 60%, over and above tariff prices. In addition, I intend to help the trusts by extending the number of procedures that will attract the top-up payment in 2011-12. I believe that the children's hospitals will find that entirely acceptable.

Mr Blunkett: I would like—uniquely—to thank the Secretary of State for signing off the technical agreement from last Friday, and to say that the specialist children's hospitals will welcome his announcement this afternoon. Is it not time to take the uncertainty away from the children's hospitals and have a system that allows them to put in place a forward plan that does not result in this annual farrago? Would it not also be nice to congratulate the staff of the children's hospitals on their terrific work, not least the dedicated way in which they will be working with these children over Christmas?

Mr Lansley: Yes, I am very glad to do so. I have visited Sheffield children's hospital, and I very much applaud the work that it does. I am sure that those at the hospital are grateful to the right hon. Gentleman, as I am, for the way in which he has represented their interests. I entirely agree with him: the purpose of developing the payment-by-results system is to arrive at a point where it is predictable and delivers a relevant payment, related to the costs that are genuinely incurred in the provision of that treatment. We are not in that position yet. The specialist top-up was put in place to reflect that, but I hope that it is temporary rather than permanent.

Neuromuscular Conditions

11. **Mr John Leech** (Manchester, Withington) (LD): What progress has been made on improving the provision of specialist neuromuscular physiotherapy for people with muscular dystrophy and related neuromuscular conditions; and if he will make a statement. [28708]

The Minister of State, Department of Health (Paul Burstow): Physiotherapy can help to manage the physical deterioration associated with muscular dystrophy and other neuromuscular conditions. Physiotherapists have a key role to play in reducing waiting times, improving access and choice, and providing more personalised services closer to home, thereby improving the quality of life of their patients. It is for local NHS organisations to decide how best to use the funds allocated to meet health needs.

Mr Leech: I thank my hon. Friend for his answer. Will he meet me and campaigners from the North West Muscle Group to discuss what actions need to be taken to ensure ongoing physiotherapy for patients with neuromuscular diseases?

Paul Burstow: I am grateful to my hon. Friend for that question, and I know that he plays an active part in the all-party muscular dystrophy group. He was involved in ensuring that we had a report from that body on access to specialist neuromuscular care—the Walton report, an important report that mapped out many of the deficiencies in the current service. I would be happy to meet him and his friends to discuss the matter further.

IVF Treatment

14. **Gareth Johnson** (Dartford) (Con): What recent assessment he has made of the adequacy of provision of IVF treatment across the country. [28711]

The Secretary of State for Health (Mr Andrew Lansley): Many primary care trusts have made good progress towards meeting NICE guidance recommendations on the provision of IVF treatment. However, I am aware that a small number of PCTs with historical funding problems have temporarily suspended local NHS provision of IVF services. I have already expressed my concerns about that approach. I expect all PCTs to have regard to the current NICE guidance and to recognise fully the significant distress and impact that infertility has on people's lives.

Gareth Johnson: I am grateful to my right hon. Friend for his answer. He will be aware that Robert Edwards, the British inventor of IVF treatment, is due to receive the Nobel prize this week for his work. I am sure that Professor Edwards would be dismayed that PCTs have suspended their IVF provision, so would my right hon. Friend join me in urging those PCTs that have taken that step to reconsider their decision on this important issue?

Mr Lansley: Yes, I am indeed aware of that, not least because the Bourn Hall clinic, where Robert Edwards and Patrick Steptoe did their groundbreaking work, is in my constituency. As a former vice-chair of the all-party infertility group, I feel strongly that the reason the NICE guidance was written as it was, way back in 2004, was to recognise both the distress and the extent of the difficulties that couples face, and the need for them to be assured not only of good-quality investigation, but of good quality follow-up provision in fertility services throughout the NHS. I urge PCTs to have regard to the NICE guidance in their commissioning decisions.

Mr Kevin Barron (Rother Valley) (Lab): If this unfair situation in the commissioning of infertility services continues, and if the reconfiguration goes ahead, would it be the responsibility of the national commissioning board to address it?

Mr Lansley: Beyond 2012 it would indeed. The reason we are in this position is not least because when NICE produced its guidance, my predecessor, John Reid, in effect told PCTs that they should not feel obliged to have regard to it and arbitrarily changed it. It is precisely that kind of political interference with what should be a clinically-led decision about the appropriate structure of commissioning services that I am proposing to do away with.

Adult Social Care

15. **Chris White** (Warwick and Leamington) (Con): What support his Department plans to provide for front-line services in adult social care. [28712]

The Minister of State, Department of Health (Paul Burstow): Protecting adult social care services is a clear priority for this Government. The spending review fully protects all existing grant funding for social care, and by 2014 an additional £2 billion a year will be available to support social care. Along with a programme of efficiency, those additional funds will enable councils to maintain access to social care while meeting demographic and other cost pressures and delivering new approaches to improve quality and outcomes over the next four years.

Chris White: I am grateful to the Minister for his response. In my constituency, residents of Whitnash are trying to set up a social enterprise to take over the running of a local care home. Will the Government encourage and support councils such as Warwickshire to respond positively to such initiatives, and will he meet residents of Whitnash so as to understand some of the issues that they face?

Paul Burstow: In our vision for adult social care, we very much argued the case for the greater use of social enterprises and the involvement of voluntary organisations as a way in which we can better deliver more personalised and appropriate public services of the very sort that the hon. Gentleman is talking about to our local communities.

Ann Coffey (Stockport) (Lab): From April 2011, district nurses, health visitors and other specialist nurses working in the community in Stockport will be employed and managed by the Ashton, Leigh and Wigan Community Healthcare NHS Trust, and from April 2011, nurses providing community health services in Tameside will be employed and managed by the Stockport NHS Foundation Trust. Can the Minister tell me how that reorganisation will improve the delivery of front-line services to local people?

Paul Burstow: First and foremost, the hon. Lady should welcome the fact that this will provide opportunities for the greater integration of services, and that is a key way in which we can deliver better outcomes for her constituents and others up and down the country.

Psychiatric Care (Deaths)

16. **Paul Maynard** (Blackpool North and Cleveleys) (Con): How many patients in psychiatric care died of natural causes in the last five years. [28713]

The Minister of State, Department of Health (Paul Burstow): Information on the number of people in psychiatric care who died of natural causes is not available. However, information about patients detained under the Mental Health Act is collected by the Care Quality Commission. The most recent information, covering the period 2005 to 2008, shows that there were 1,392 deaths of detained patients, of which 1,123 were ascribed to natural causes.

Paul Maynard: I thank the Minister for that reply. Does he share my concern that, almost uniquely in psychiatric care the state has a large degree of control over an individual's circumstances, yet, unlike in prison or police custody, deaths from natural causes do not have to be reported to the coroner or be the subject of an inquest? Does he not think that the time has now come to end that disparity and to shed some light on to the real reasons behind many of the deaths from natural causes in psychiatric care?

Paul Burstow: My hon. Friend might be interested to know that the Ministry of Justice is reviewing sections of the Coroners and Justice Act 2009 and how they will be implemented. That review will include the subject of how deaths are reported to coroners. In fact, the statutory requirements to report deaths of mental health patients to coroners are the same as those for other patients, and NHS providers must report deaths of service users that occur during, or as a result of, care or treatment that they are providing.

NHS Administration

17. **Richard Graham** (Gloucester) (Con): What recent representations he has received on the management and administration costs of the NHS; and if he will make a statement. [28714]

The Minister of State, Department of Health (Mr Simon Burns): As I said to my hon. Friend the Member for Pendle (Andrew Stephenson) earlier, administration costs across the whole health sector will reduce by a third in real terms over the spending review period. This is a £1.4 billion cash reduction and a £1.9 billion real-terms reduction, from a baseline of £5.1 billion. Every penny of the savings will be reinvested in front-line services.

Richard Graham: I am grateful to the Minister for his reply. Can he reassure my constituents in Gloucester that this is broadly the degree of savings that we should expect from NHS Gloucestershire's expenditure on management, and that those savings will be spent on the rising demand for front-line services, including in the new, soon-to-be-opened women's centre?

Mr Burns: Yes, I can give my hon. Friend the assurance that he seeks. We have made it quite clear that we will reduce management costs throughout the NHS by more than 45% over the next four years, and establishing GP consortiums will allow us to strip out the costly top-down bureaucracy that now exists. All the money that will be saved through these initiatives will be reinvested in front-line services, which will benefit the constituents of my hon. Friend and those of every other right hon. and hon. Member throughout England.

Rushanara Ali (Bethnal Green and Bow) (Lab): I am concerned about the quality of services that patients and their families receive. In my constituency, 100 jobs are already going, and I am worried that the cuts in staffing will have an effect on the services that are available. Can the Minister guarantee that front-line services will be protected, because the reality is that, in constituencies such as mine, staffing is crucial to ensuring that decent services are available?

Mr Burns: I have to tell the hon. Lady that, in this very difficult financial situation, which we inherited from her Government, it is only by making efficiency savings and getting rid of excess bureaucracy that we can generate the income to reinvest to save front-line services—*[Interruption.]* She and the Greek chorus in front of her must understand that, if we had not been left in this mess in which £43 billion a year is being spent on the interest on the debt that we inherited, we would not have the problems that we now have—

Mr Speaker: Order. I think we understand what the Minister is trying to get at.

Mr Graham Stuart (Beverley and Holderness) (Con): I welcome the Minister's responses and his firm proposals to reduce administration costs. However, it is not just a matter of management costs rising massively under the last Government, as productivity fell. The last time productivity increased in the NHS was under the last Conservative Government in the early 1990s. What plans do the Government have to ensure that productivity is increased, because only by doing can we deliver better health?

Mr Speaker: Let us have the answer.

Mr Burns: My hon. Friend is absolutely right. Although the last Government significantly increased health spending —I do not dispute that; it is a self-evident fact—the trouble is that we did not see increases in productivity pro rata. That is the challenge that we face; that is what we are addressing; that is what we are going to achieve through QIPP—quality, innovation, productivity and prevention—by cutting out inefficiency, cutting out excess management and administration so that every single penny can be reinvested in improving front-line services and giving our constituents the finest health they—

Mr Speaker: Order. The Minister will resume his seat. His answers have been excessively long-winded and repetitive—and it must not happen again. I have made the position clear and I hope that the Minister will learn from that.

Waiting Times

18. **Mr Russell Brown** (Dumfries and Galloway) (Lab): What estimate he has made of the change in average waiting times for patients waiting for diagnostic tests since May 2010. [28715]

The Minister of State, Department of Health (Mr Simon Burns): Patients are continuing to receive timely access to diagnostic tests. In September 2010, the median waiting time for 15 key diagnostic tests was 1.7 weeks, compared with 1.8 weeks in May.

Mr Brown: I thank the Minister. Does he expect waiting times to stay down now that they have been scrapped or will they simply be ignored by no longer being performance-managed?

Mr Burns: I suggest that the hon. Gentleman studies the response given earlier by my right hon. Friend the Secretary of State to the right hon. Member for Exeter (Mr Bradshaw). By concentrating resources and reforming the system to improve outcomes, we will provide enhanced health care for all our constituents in England.

Topical Questions

T1. [28723] **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Andrew Lansley): My responsibility is to lead the NHS in delivering improved health outcomes in England, to lead a public health service that improves the health of the nation and reduces health inequalities and to lead the reform of adult social care, which supports and protects vulnerable people.

Jonathan Reynolds: The Secretary of State will be aware that primary care trusts across the country are being asked to cut between 35% and 50% from their management costs. This inevitably leads to job losses, but can he confirm that he is confident that the jobs being lost as a result of this policy are purely management roles and that there are no losses of jobs that combine some management role with front-line clinical responsibilities?

Mr Lansley: We have been very clear that we are asking the whole of the NHS administration—we are applying the same discipline inside the Department, to arm's length bodies and across the whole of government—to secure a reduction by a third of real-terms administration costs over four years. In the NHS in particular, I am looking for a reduction in management costs of 45% in cash terms. By that, I mean specifically the costs of managers and senior managers. By definition, that does not include clinical staffing.

T3. [28725] **Ian Swales** (Redcar) (LD): In the light of the recent damning report by the Care Quality Commission into Redcar and Cleveland council's adult social care services, what steps is the Secretary of State taking to improve adult social care and will he meet me to address the issues raised in the report?

The Minister of State, Department of Health (Paul Burstow): I am grateful to my hon. Friend for his question. I know of his concerns, which he has raised for some time. I understand that an improvement plan has been developed by Redcar and Cleveland and that it has been shared and agreed with the Care Quality Commission. The plan has a strong focus around ensuring a rigorous approach to improving the safeguarding of vulnerable people, and a peer review process is being established with the Local Government Group and the Association of Directors of Adult Social Services. I would, of course, be happy to meet my hon. Friend to discuss the matter further.

John Healey (Wentworth and Dearne) (Lab): May I welcome the Secretary of State's sensible rethink and change of mind on the funding of specialist children's hospitals after Labour Members raised concerns during the previous Health questions? During those questions he also got his NHS funding figures in a twist, so what has he got to say about the updated inflation forecasts on page 83 of last week's Office for Budget Responsibility report? They show that for the next four years the inflation increase will be bigger than the cash increase in the NHS—in other words, the NHS will get a real cut in funding, not a real increase. Does he accept the OBR figures? Does he accept that they are hard proof that the Government are breaking their promise to protect NHS funding?

Mr Lansley: Let me tell the right hon. Gentleman that it is not a change on specialist children's hospitals. The previous Government initiated a study by York university, which reported. I made it clear, when we discussed it last, that we were examining the results of that together with the specialist children's hospitals. We have reached what I regard, as I hope they do, as a very acceptable outcome.

The spending review gave a real-terms increase in NHS funding. That was the commitment we gave and it was set out in the spending review, and it remains true that revenue funding for the NHS continues to rise in real terms.

John Healey: Perhaps I should have asked the Secretary of State whether he has even seen the OBR report. Let me try to help him. The OBR's inflation figures mean that the NHS will not get the 0.4% real increase that he bragged about and that was stated in the spending review; the NHS will get a 0.25% decrease—a cut—in funding, as has been confirmed today for me by the House of Commons Library. No wonder the Prime Minister is rattled and is asking what on earth the Health Secretary is doing with the NHS. Does the Health Secretary accept that this confirms that the coalition's pledge to guarantee that health spending rises

"in real terms in each year of the Parliament"

is being broken? How does he explain that to the Prime Minister and how does he explain it to the public?

Mr Lansley: No, I do not accept that for a minute. At the spending review we set out what met our commitment. I am very clear that, as I just told the right hon. Gentleman, revenue funding for the NHS will increase in real terms. It will do so because we did not listen to the advice of the Labour party in the run-up to the spending review, which was to cut the NHS budget. We did not do that and we were committed at the spending review to an increase in real terms. The gross domestic product deflator will move from time to time, but the commitment that we set out was clear and will continue.

Mr Speaker: Just as the answers from the Minister of State, the hon. Member for West Chelmsford, were too long, those questions were too long as well.

Mr Burns: Chelmsford.

Mr Speaker: Order. I do not require any assistance from the hon. Gentleman. We must speed up from now on. That is the situation.

T6. [28729] **Michael Ellis** (Northampton North) (Con): Every day, ambulance service staff in my constituency and around the country deliver life-saving care to our constituents, but they are themselves occasionally put in harm's way. What steps are Her Majesty's Government taking to ensure that the protection that our ambulance staff get in my constituency and around the country is the best that we can provide?

Mr Lansley: I join my hon. Friend in paying tribute to the staff in ambulance service—in the current circumstances, with the winter pressures being what they are, we should especially do so. But those staff can come under particular threat from time to time and we have to prepare for all eventualities. For example, if an attack involving firearms takes place, as it did recently in Cumbria, it is possible that ambulance staff would be working alongside other emergency services in responding to it. It is only right, therefore, that they are offered as much training and equipment as possible to carry out that work.

T2. [28724] **Paul Goggins** (Wythenshawe and Sale East) (Lab): This morning, the Justice Secretary said that he was working with the Health Secretary on plans to divert more mentally ill offenders away from prison. I broadly welcome that, but could the Health Secretary tell us how much new money will be made available for that initiative, especially given the comments made by my right hon. Friend the Member for Wentworth and Dearne (John Healey) about the cut in the real value of health spending?

Mr Lansley: The right hon. Gentleman is in no position to make that point, given that his party wanted to cut the NHS budget. What my right hon. and learned Friend said this morning about our working together is indeed true. However, this is not a case of our diverting patients; it is about ensuring that people who have mental health problems are dealt with appropriately rather than there being a failure to deal with them. That applies whether they are in prison or in hospital. We are working together on that, and I know that my right hon. and learned Friend will be making a statement shortly.

T8. [28731] **Richard Graham** (Gloucester) (Con): Can Ministers reassure me that, given the relative health deprivation in Gloucester, the ring-fenced funding promised in the White Paper on public health will in fact benefit people there?

Mr Burns: Yes, I can certainly give my hon. Friend that assurance. The money will be ring-fenced to ensure that local communities can enhance the quality of public health for all constituents both in Gloucestershire and throughout the country.

T4. [28726] **Mrs Mary Glindon** (North Tyneside) (Lab): The north of England cancer network has been working since 2007 to improve cancer commissioning across primary and secondary care and to improve standards of cancer care for my constituents. Can the Secretary of State confirm that it will continue to play that role after the introduction of GP commissioning?

Paul Burstow: In the not-too-distant future, we will publish the refresh of the cancer reform strategy. That will demonstrate how the Government will continue to

build on past success while ensuring that we reduce and improve the survival rates for cancer. One of the real problems in this country is that we have some of the poorest survival rates for cancer. We will ensure that the networks' expertise is incorporated into the way in which the reformed system will work.

David Tredinnick (Bosworth) (Con): Is my right hon. Friend aware of the rally being held here in Westminster tomorrow by qualified herbalists who are coming to lobby for statutory regulation, which my right hon. Friend is obliged to provide under European law? When will he do that, please?

Mr Lansley: I am indeed aware of that, as my hon. Friend would expect. He will know that we are considering how we can give effect to the proper regulation of herbal practitioners and we will make an announcement shortly.

T5. [28727] **John Mann** (Bassetlaw) (Lab): If a hospital service's reconfiguration is demonstrably and overwhelmingly rejected by a local population, what notice will the Secretary of State take of the patients' voice?

Mr Lansley: It was only under this Government, after the election, that tests were set out that such reconfigurations should meet. Those tests clearly included recognition of the voice of the public and of the local authority as well as current and prospective patient choice. To that extent, for the very first time, reconfigurations are not being dictated by an NHS administration but are responding to the views of patients and clinicians.

Duncan Hames (Chippenham) (LD): The NHS Litigation Authority estimates an outstanding liability for clinical negligence claims of £15 billion, a sum that increased by £2 billion in the last year alone. How will the Minister bring that spiralling cost to the NHS to a halt?

Mr Lansley: I understand exactly my hon. Friend's point. The increase in liabilities was, in part, an expression of the change in the discount rate rather than necessarily an increase in the number of cases coming through. It is a worrying figure and costs the NHS not far short of £1 billion a year through contributions to the clinical negligence scheme for trusts. My noble Friend Lord Young, in the course of his review of health and safety and other issues, made recommendations on dealing with conditional fee arrangements and clinical negligence. It set out that we would consider, for example, how we implement NHS redress arrangements, including whether there should be a fact-finding phase before any question of legal intervention. We will do that and report back to the House.

T7. [28730] **Pat Glass** (North West Durham) (Lab): My local hospital, Shotley Bridge hospital in Consett, has faced a degree of certainty over its future in recent years. However, with the demise of the local PCT, which owns the hospital and the land, uncertainty has returned. Is the Minister prepared to meet me and a delegation from the hospital to consider the future?

Mr Lansley: I am sure that I or one of my hon. Friends will be happy to meet the hon. Lady. I do not know why she thinks that the abolition of the PCT will make that change. We have yet to set out how PCT assets will be dealt with when they are abolished. She must talk to her local GPs as I know that GPs in Durham have come together in a consortium and they will be well placed to give precisely the kind of assurance about the security of services in the future that she is looking for.

Nick de Bois (Enfield North) (Con): The Secretary of State will be aware that the Barnet, Enfield and Haringey clinical review has been concluded. It notes that the Secretary of State's four tests have been passed, despite health scrutiny establishing that they have not. In addition, the majority of Enfield GPs do not support the proposals. Will the Secretary of State therefore conclude that the four tests have not been passed?

Mr Lansley: My hon. Friend will know that all that has not yet come to me, so I will not prejudge this issue. However, I have made it clear, not least in a letter I recently sent to Baroness Margaret Wall, who is the chair of the Barnet and Chase Farm Hospitals NHS Trust, that I expect us to examine not only the Barnet, Enfield and Haringey proposals, but any other proposals that the trust might put forward about the level of acute services provided through Chase Farm.

T9. [28732] **Toby Perkins** (Chesterfield) (Lab): The Secretary of State seemed to suggest, in his answer to the shadow Secretary of State, that his definition of a real-terms increase includes changes in inflation. If he does not accept the Office for Budget Responsibility verdict that the increase in inflation means a real-terms cut in 2012, which definition of inflation is he using?

Mr Lansley: What I said to the shadow Secretary of State was entirely accurate.

Gordon Birtwistle (Burnley) (LD): Does the Secretary of State agree that the abolition of unelected quangos such as primary care trusts and strategic health authorities will bring an end to the decisions they are taking to remove services from local hospitals against the wishes of GPs and local residents?

Mr Lansley: The reforms we propose will bring far greater accountability not only through local authorities but through patient choice and through front-line clinicians being able to commission services.

Let me also tell my hon. Friend that I have today referred to the independent reconfiguration panel, for initial appraisal, the question referred to me by Lancashire county council about the children's ward at Burnley hospital.

Steve McCabe (Birmingham, Selly Oak) (Lab): Will the Secretary of State join me in deprecating the outrageous behaviour of the Prime Minister's aides who told the *Financial Times* that the Secretary of State, on his reorganisation, has all the answers—unfortunately to all the wrong questions?

Mr Lansley: The hon. Gentleman should not believe what he reads in the papers and when he is trying to quote from them, he should do so accurately.

Caroline Dinenage (Gosport) (Con): Blake maternity unit in Gosport is temporarily shut and its long-term future is by no means 100% secure. In conversations with local health care bosses, I have learned that it is not because of cost but because of a national shortage of midwives. Are there any policies or plans to address this issue?

Mr Lansley: I do not know the particular circumstances in Gosport, but I shall happily write to my hon. Friend. Nationally, we have more midwives than we have ever had—*[Interruption.]* I am being provoked by those on the Opposition Front Bench. There was a 16% increase in the number of live births in this country, but only a 4.5% increase in the number of midwives. That is the point I was about to make. The Government of whom the hon. Member for Halton (Derek Twigg) was a member failed to invest in midwifery when there was an increase in live births. That is why hospitals across the country have too few midwives, and that is why we are putting the investment in—because we did not listen to the Labour party when it said, "Cut the NHS budget."

Fiona Mactaggart (Slough) (Lab): Will waiting times for in-patient treatment in hospital increase or decrease next year?

Mr Lansley: They will respond positively to patient choice and GP referral.

Joseph Johnson (Orpington) (Con): I am grateful to the Secretary of State for agreeing to visit Queen Mary's, Sidcup, tomorrow, recognising the strength of local opinion there about the closure of accident and emergency and maternity services temporarily over the winter period. I hope that on his return he will reassure my constituents in Orpington that the closure will not mean that the review of reconfiguration of local NHS services will be prejudged and will not put neighbouring hospitals such as those in my constituency under undue pressure.

Mr Lansley: I am grateful. Tomorrow, I hope to assure myself, among other things, that the closure is temporarily demanded by virtue of the inability to secure enough staff to maintain a safe service for the time being and that it will not and does not pre-empt the question of availability of services at Queen Mary's, Sidcup, on which a decision has not yet been reached locally or referred to me.

Mr Dennis Skinner (Bolsover) (Lab): On the NHS campaign against obesity, does the Secretary of State welcome the magnificent support of the thousands of schoolchildren who have come down to demonstrate for school sports funding outside No. 10 Downing street? Will he fight in the Cabinet against the Education Secretary's silly proposal, which will damage children's health?

Mr Lansley: The Secretary of State for Education rightly believes in schools making decisions about how they should best use their resources, including for school sport. I hope the hon. Gentleman will welcome the fact that through my Department we have supported school sports clubs under Change4Life and intend to expand them.

Rehabilitation and Sentencing

3.34 pm

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): With permission, Mr Speaker, I would like to make a statement. On 12 May, we said in our programme for government that we would conduct a full assessment of rehabilitation and sentencing policy to pave the way for radical reforms to the criminal justice system. I have laid before Parliament today the Green Paper entitled "Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders." This sets out our initial conclusions from this work, on which we will be consulting widely over the next 12 weeks.

Despite record spending we are not delivering what really matters. Society has a right to expect the criminal justice system to protect them. Prison will always be the right place for serious and dangerous offenders. Criminals should be properly punished. Prisons should be places of hard work and industry, and community sentences must be credible and robust. Criminals must also be reformed so that when they finish their sentence they do not simply return to their life of crime, creating more misery for victims.

The present criminal justice system falls short of what is required. Around half of offenders released from prison reoffend within a year. Reoffending rates for young offenders sentenced to custodial or community sentences are even worse. It is not acceptable that three quarters of offenders sentenced to youth custody reoffend within a year. If we do not stop offending by young people, the young offenders of today will become the prolific career criminals of tomorrow.

Solving these problems requires a radically different approach. Of course, criminals must face robust and demanding punishments. This means making them work hard both in prison and in the community. More prisoners will face the tough discipline of regular working hours. This has been lacking in most prison regimes for too long. Community sentences will be more credible, with more demanding work and greater use of tough curfew requirements. There will be greater reparation to victims through increased use of restorative justice and by implementing the Prisoners' Earnings Act 1996. We will bring forward other changes to make sure that more offenders directly compensate the victims of crime.

But we will take a new approach to the reform of offenders. I regard prison first and foremost as a place of punishment where people lose their liberty as reparation for what they have done, but on top of that, prison cannot continue to be simply an expensive way of giving communities a break. We must give higher priority to ensuring that more prisoners go straight on release.

Offenders will face a tough and co-ordinated response from the police, probation and other services. It will mean that they must either address the problems that fuel their criminal activity or be caught and punished again. It will mean taking action to get offenders off drugs. It will mean reducing the abuse of alcohol. It will mean improving the treatment available to those suffering mental illness. It will mean getting more of them off benefits and into honest employment so that they can pay their own way.

We will bring forward a revolutionary shift in the way that rehabilitation is financed and delivered. We will begin by commissioning a range of providers to administer at least six new projects over the next two years. They will be paid for the results that they achieve. I intend to apply the principles of that approach across the whole system by the end of the Parliament. We will also test this payment-by-results approach with young offenders, and devolve more responsibility for preventing and tackling youth offending to local communities. We will introduce more competition across offender management services to drive up standards and deliver value for money for the taxpayer. We will increase discretion for public sector providers and front-line professionals.

The sentencing framework must provide courts with a range of options to punish and rehabilitate criminals and keep the public safe. The sentencing framework has developed in an ad hoc fashion recently, with over 20 Acts of Parliament changing sentencing in the past 10 years. This has left it overly complex, difficult to interpret and administer, and hard for the public to understand. We need to make better use of prison and community sentences to punish offenders and improve public safety, while ensuring that sentencing supports our aims of improved rehabilitation and increased reparation to victims and society. We will therefore simplify the sentencing framework in order to make it more comprehensible to the public and to enhance judicial independence. We will reform community orders to give providers more discretion, and we will encourage greater use of financial penalties and improve their collection.

We will bring forward reforms to the indeterminate sentence of imprisonment for public protection. This sentence has been much more widely used than was ever intended by Parliament since its introduction in the Criminal Justice Act 2003. Indeed the last Government had already tried to change it once since its introduction. We will reserve IPP sentences for the most serious offenders and focus indefinite punishment on those who most clearly pose a very serious risk of future harm. Of course, prisoners who in future do not receive an IPP sentence will instead receive long determinate sentences. This will enable us to restore clarity in sentencing, plan rehabilitation and target punishment more effectively to protect the public.

Let me assure the House that public safety remains our first priority. We will continue to ensure that serious and dangerous offenders are managed effectively and their risk is reduced through appropriate use of prison and then through the multi-agency public protection arrangements. Let me also assure the House that we will also ensure effective responses to knife crime. Knife crime is wholly unacceptable. It causes misery for victims and is often connected to the kind of gang violence that can wreck whole communities. The Government's position is clear. Any adult who commits a crime using a knife can expect to be sent to prison, and serious offenders can expect a long sentence. For juveniles, imprisonment is always available and will also be appropriate for serious offenders.

The Green Paper is an important change of direction in penal policy, which will put more emphasis on reducing reoffending without reducing the punishment of offenders. By reforming criminals and turning them away from a life of crime we will break the cycle. This should mean fewer crimes, fewer victims and safer communities. The Government will make a further statement to the House when they publish their response to the consultation. I commend the statement to the House.

Sadiq Khan (Tooting) (Lab): I thank the Secretary of State for advance sight of his statement on sentencing policy. The Ministry of Justice's four-year plan on its vision page declares:

"We will provide a clear sentencing framework. It will punish those who break the law, and help reduce re-offending."

I have no quarrel with that. It seems to me a perfectly sensible vision for a sentencing policy, entirely in keeping with the emphasis on punishment and reform that Labour followed in government, and which helped to cut crime by 43% between 1997 and 2010, both in times of growth and recession—the only Administration since the second world war who can boast such an enviable record.

I have a number of questions for the Secretary of State. First, will he confirm that he accepts that crime went down, as I have just said? So, on the core principle we are in agreement, and where the Government propose sensible measures to punish and reform offenders, we will support them. However, the statement that we have just heard and the Green Paper give rise to a number of questions and concerns. Will he confirm that the entirety of the Conservative party's manifesto on law and order has been put in the bin? Before the election, the Prime Minister promised that there would be tougher sentences for knife crime. People caught in possession of a knife would face a presumption of prison. Does the Secretary of State accept that he has now made a humiliating U-turn on that policy? The Prime Minister promised that there would be "honesty in sentencing". Judges would read out a maximum and a minimum sentence to offenders in court. Does the Secretary of State accept that there has been a U-turn on that also? The Prime Minister promised increased prison capacity—another U-turn?

Let us be absolutely clear. Every one of those pre-election promises to be tough on crime has been abandoned. They have been revealed for what they are: a bluff. A bluff on crime and a bluff on the causes of crime. Like so many of the heavily trailed announcements that we have seen in the past six months, this sentencing review is a wasted opportunity. Sentencing policy should be about dealing with offenders in the right way in order to protect the public, but this review has been about trying to reduce the prison population in order to cut costs.

When the comprehensive spending review was published recently, the Justice Secretary outlined his central aim, which was

"to reduce the total daily prison population by 3,000 by 2014."

The prison population is about 85,000 today, so that would mean it being 82,000 in four years. In practice, however, because many people serve less than one year in prison, meeting that target would mean 10,000 fewer offenders in jail each year. That is what the sentencing review is all about.

Given the Government's big claims about transparency, can the Secretary of State confirm that he will publish the detailed assumptions that his officials and the Home Office have made about crime trends to justify that target of 82,000? I do not subscribe to the view that there is a direct link between prisons and crime, but nor do I share the Justice Secretary's belief that there is no link at all. Under Labour, more serious and persistent criminals went to prison for longer, and crime fell. The relationship between those two things might not have been simple and straightforward, and other factors, including an increase in police numbers, were at play, but there was a relationship.

The Justice Secretary, to justify his view that there is no link, is fond of saying that crime rates also declined internationally during that time, but that prison rates in many countries went down. Well, he is wrong. I have checked the figures for OECD countries, and prison populations rose almost everywhere. Although prison should always be the outcome for serious and persistent offenders, we believe that alternatives to custody should be used when they are a more appropriate form of punishment and reform. We accept that prison is not always the best place for offenders, and community sentences can be a better alternative in order to cut reoffending, but does he accept that, as a result of the changes that we introduced, the number of women in custody went down, and that reoffending rates for women, young men and first-time offenders also went down in recent years?

I welcome the announcement that the Government are seeking to build on important Labour innovations, such as the expansion of community payback. Further action on drug addiction is clearly welcome, and the steps outlined to deal more effectively with offenders with mental health problems, one of our society's most pressing issues, are a vindication of the decision of my right hon. Friend the Member for Blackburn (Mr Straw) to set up and start to implement the important Bradley review.

The current Justice Secretary aims at some of the right goals, but his total eagerness to please the Treasury by cutting the Ministry of Justice budget by 23% will make it very difficult and risky to turn those aspirations into reality. With the Home Secretary having also caved in to a 23% cut, the obvious question voters will ask is, how can the right hon. and learned Gentleman's party ever again claim to be the party of law and order?

The Secretary of State will recall the old care in the community model for mental health in the 1990s. As a former Health Secretary, he presided over it and will be aware of some of the real problems that it created. If proper resources are not invested in dealing with offenders outside prison, we could be in for care in the community mark II—this time with criminals.

Will the Justice Secretary explain, in particular, what assessments are being made of the likelihood that prisoners on indeterminate sentences, whom he wants to release, are no longer a risk to the public? What procedures will be put in place to monitor such people in the community?

Mr Speaker: Order. I am loth to interrupt the shadow Secretary of State, but he is getting towards the point where his questioning has been longer than the Secretary of State's pithy statement, so he really does now need to bring it to an end. He can have another sentence, but he must then bring it to an end.

Sadiq Khan: As ever, Mr Speaker, I am grateful.

When the Justice Secretary was recently asked on BBC's "Newsnight" how he would judge the success of his penal policy, his first response was that he "hadn't the first idea". That was a more revealing answer than he perhaps intended, because it exposed a certain complacency that is becoming the hallmark of this Government.

[Sadiq Khan]

In conclusion, let me offer the Lord Chancellor advice on how to judge the success of his policy. Will it make communities up and down the country more or less safe? Will it result in crime going up or down? I tell the Lord Chancellor and those who support him that it is against those criteria that we will be holding him, his proposals and his Government to account.

Several hon. Members *rose—*

Mr Speaker: I do not want to be corny about it, but in this context I should surely be able to appeal from now on for shorter sentences—and preferably fewer of them.

Mr Clarke: I was about to congratulate the Opposition spokesman on his statesman-like performance in a difficult situation. He managed to go on for exactly the same length of time as I took to make my statement. I listened carefully, and he did not criticise a single proposal that I had made. He did not disagree at all. I should have realised that he would do that, because when he was asked, by Decca Aitkenhead in *The Guardian* of 29 November, whether Ken Clarke had said anything that he disagreed with, he said, "No, he hasn't." He took eight minutes to give that reply today, but the conclusion was the same.

The right hon. Gentleman said that we had abandoned our whole manifesto and pre-election commitment. We are in a coalition Government and have inherited a financial crisis. The principal argument that we had when in opposition was about the rehabilitation revolution. I commend to the right hon. Gentleman the work done by my right hon. Friend the Minister for Policing and Criminal Justice and my hon. and learned Friend the Solicitor-General on a pamphlet called "Prisons with a purpose". In the manifesto, we said:

"We will never bring our crime rate down or start to reduce the costs of crime until we properly rehabilitate ex-prisoners."

That remains the core proposal that we are putting forward, and I am glad to be able to build on it.

The right hon. Gentleman talks about the reduction in the number of people in prison. Eighty-two thousand is not a target; I asked people to produce an estimate of what the whole package—there are a lot of things in the package—was likely to do to the prison population over the next few years, and their estimate, and it is only an estimate, is that that population will reduce by about 3,000. It would be quite something to stop the explosion of the prison population that has been going on in recent years. Reducing it by 3,000 is quite modest, but that is an estimate. We are aiming to do something to ease the pressure on the system—above all, to ease the pressure on victims—by rehabilitation and by tackling the root causes of crime.

The right hon. Gentleman talks about numbers. He tried to praise—he did his best—the record of the Government of whom he was a member. The real nadir of the publicity-seeking policies of the last Government came when they had succeeded in getting so many people sentenced to prison that they could not accommodate them. Eventually, they had to release 80,000 prisoners from jail, before they had finished their sentences, under an early-release scheme. That was a debacle of a policy that we will not repeat.

The right hon. Gentleman talked about this being against a background of a 23% reduction in my budget. Half of that, of course, is going to come from administration and a great bulk of it from legal aid savings, which he supports. Much less will come from the Prison Service and the probation service.

Does that comment mean that the right hon. Gentleman would spend more? I am waiting to hear what the Labour party says about the financial background to policy. Apparently, the reduction is too much. Will he consult the shadow Chancellor and let us know how much more a new Labour Government would spend on keeping up the prison population, keeping the criminal justice system as it is and continuing the failed policies of the last Government?

Several hon. Members *rose—*

Mr Speaker: Order. Thirty-seven years of service in the House should make the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) an exemplar of brevity.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I remind the Lord Chancellor that Members from all three parties on the Justice Committee unanimously recommended a shift from expanding prison places to rehabilitation, drug and alcohol treatment, mental health provision and early intervention to stop young people from getting into crime. Would he not be failing to keep the public safe if he did not follow that recommendation?

Mr Clarke: I entirely agree with the right hon. Gentleman. A lot of people in all three parties welcome this shift of policy; it is not particularly me and my colleagues who believe it; It is quite obvious that it is a direction in which we should go. I look forward to having the assistance of the Select Committee and making sure that we get the details right and keep going in the right direction.

Several hon. Members *rose—*

Mr Speaker: Order. I would love to try to get everyone in, but I appeal to right hon. and hon. Members to help me to help them.

Mr Jack Straw (Blackburn) (Lab): Why is the Secretary of State so unwilling even to utter the words that would acknowledge that, in the past 15 years—the last two years of his Government, from 1995, and through the 13 years of the previous Labour Government—crime fell by a record 50%? Why does he not acknowledge that and also accept that the cost-cutting led programme that he has announced today may put crime levels at risk?

Mr Clarke: Of course I acknowledge that crime fell during that period, as it did throughout most of the western world. I have always acknowledged that. Where we will not agree is on the simple cause and effect that the right hon. Gentleman puts forward. Let me quote from a source whom it would be unexpected for me to quote with total favour: Mr Newt Gingrich. A recent article he published in an American magazine about the situation in the state of South Carolina states:

"Often, in…fiscal crises, we hear that no area of state spending is exempt from budgetary review. But in reality, prison spending often is the proverbial sacred cow. That's partly because

voters...mistakenly believe reductions in the prison budget will lead to putting the 'bad guys' back on the street."

This morning, I was put on Alastair Campbell's blog. Newt Gingrich seems to agree with the direction we are taking, Alastair Campbell appears to believe that we are going in the right direction, and Members from all three parties, including the Chairman of the Select Committee, agree. The right hon. Gentleman is the representative of a failed past.

Philip Davies (Shipley) (Con): Last year, 3,000 burglars and 4,500 violent criminals with 15 or more previous convictions were not sent to jail, and people with more than 100 previous convictions who came before the courts were more likely not to be sent to jail. They reoffended not because they went to prison, but because they did not go to prison. How on earth can my right hon. and learned Friend accept the figures that his Department has issued and say that too many people are going to prison? Most people would look at those figures and conclude that too few people are going to prison.

Mr Clarke: A court has to look at the nature of the offence and the individual offender and give the right sentence. For serious criminals, that means going to prison; for recidivist offenders, that means going to prison; for others, it might be more appropriate for a strong community sentence to be made available. It is not possible to generalise in such a way. At the heart of what we are doing is ensuring that judges give the right punishment and that they give us a rest while people are in prison. The system is simply failing to prevent people reoffending. That is what the policy focus has to be and that is what will reduce crime if it is successful.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): Perhaps the Secretary of State will remember that, back in 2001, there was something called the Halliday review of sentencing. In July of that year, I talked—much as the Secretary of State has done this afternoon—about avoiding reoffending. Does he acknowledge that a £40 million cut in the South Yorkshire police budget, more prisoners on the street, and more offenders reoffending because the police are not available to protect the public and the victims is not a charter for common sense? It is a charter for criminals to get on with the job that they have been doing and from which we have been trying to protect the public.

Mr Clarke: The budget for the Prison Service and the probation service in my Department increased by roughly 50% in real terms over the past seven years. The idea that the only approach to criminal justice policy—as with other policies—is simply to spend and borrow more and more is what got the previous Government into the sorry state in which they eventually collapsed. We must now do things more intelligently and sensibly, and address the problem of reoffending. I am afraid that the right hon. Gentleman was unsuccessful when he turned to that in 2001.

Claire Perry (Devizes) (Con): Will the Secretary of State talk specifically about the issue of foreign offenders in the prison system and what he proposes to do to free up prison places by a change of policy in that area?

Mr Clarke: The number of foreign prisoners in our prisons roughly doubled in the past 10 years, during the period of office of the previous Government who rather went backwards and forwards at various times about whether they were releasing people who might have been deported or keeping them here because they could not be deported. It is difficult to get large numbers out, but we are determined to make an effort to do it. We are looking at ways in which, in suitable cases, conditional cautioning could get people out of the country and diverted out of our criminal justice system altogether on the basis that they never come back. We are also looking at how we can encourage other countries to take back prisoners who are eligible for deportation to ensure that this extraordinary burden, which has grown in the past few years, is eased, because there are better things we can do in the whole system with the money we are spending on foreign prisoners.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): I am pleased that the Justice Secretary intends to build on the success of the youth offending teams, which I introduced in 1998. Will he ensure that the youth courts, and indeed the courts generally, follow the central recommendations of the justice reinvestment report by focusing clearly on what works in reducing reoffending and incentivising those outside the criminal justice system who can help to bring down crime?

Mr Clarke: The answer is yes. One thing on which I totally agree with the right hon. Gentleman is that we have to concentrate our resources on what works. By that I mean, from the point of view of the potential victims and society at large, what gets down the level of crime committed by young offenders in particular.

Mr Edward Leigh (Gainsborough) (Con): I notice that my Conservative Secretary of State says: "Prison cannot continue to be simply an expensive way of giving communities a break." I am sorry, but communities deserve a break—they deserve a break from being burgled. Will my right hon. and learned Friend assure me that on his watch, people who cause absolute misery by thieving from people's homes, particularly those of elderly people, can expect to go to prison, where they deserve to be?

Mr Clarke: The answer to the last part of the question is obviously yes. Burglars should usually go to prison—nobody has ever suggested that they should not. I have read extraordinary suggestions that we are letting out burglars, robbers and all kinds of people. They are the core population of a prison and should remain so. The main purpose of prison is that it is the best form of punishment: it is a way of exacting some reparation from somebody for the crime they have committed. It also, of course, gives us a break from their offences while they are in prison. However, if we concentrate on that aspect of imprisonment, it is a very expensive way of giving people temporary relief from the crimes of those incarcerated. Prison should be producing people most of whom, on release, will not go back to a life of crime. Unfortunately, over a period of years, three quarters of them have eventually committted further crime. That is the failure and weakness in the system, and that is where the concentration now has to be.

Paul Goggins (Wythenshawe and Sale East) (Lab): Earlier, in Health questions, the Health Secretary confirmed that he has been working with the Justice Secretary on plans to divert mentally ill offenders from prison—something that I broadly welcome. When I pressed him on how much additional funding was being made available for this, he was unable to tell me, but referred me to this statement, so can the Justice Secretary tell me how much additional money will be made available?

Mr Clarke: This is about both our budgets, so I had better not pre-empt my discussions with my right hon. Friend. I hope that he gave a helpful response to the question, because the two of us, together with our Departments and our officials, are working very seriously on trying to improve the situation for mentally ill people who ought not to be in prison or ought to be better treated in prison. It is not an easy subject. The reason we have so many people in prison who obviously ought not to be there because they are suffering from mental illness is that it is difficult to devise services that will not only help them but improve their behaviour and make them less of a risk to the community at large. At this stage, we are consulting on it. However, I can assure the right hon. Gentleman that there is a genuine commitment on the part of my right hon. Friend and me to ensure that the Department of Health, the NHS, the National Offender Management Service and the Prison Service work together properly so that people are dealt with in a more suitable and civilised fashion. The main benefit one can give to the public regarding those whose main problem is mental illness is to help them to cope with the behavioural problems that are causing the crime.

Tom Brake (Carshalton and Wallington) (LD): Can the Secretary of State confirm by how much he expects the number of vulnerable women and women with babies in prison to reduce as a result of these very sensible proposals?

Mr Clarke: I will not go into another precise estimate, but we need to reduce the number of women in prison. The previous Government worked on that. It is important to realise that women who go to prison—many fewer do so than men—tend to have a particular combination of problems. Compared with men, a much higher proportion of women in prison have a history of drug abuse, alcohol abuse, domestic violence and a disordered life, in all kinds of ways. Focusing on that is likely to reduce the women prison population, and we will do that. Of course, as with men, there is a hard core of women who are hardened criminals or antisocial people, and they must be incarcerated for long sentences when they do something that deserves it.

Keith Vaz (Leicester East) (Lab): I have no quarrel with the vision set out by the Secretary of State for Justice. It is in keeping with many recommendations made by the Home Affairs Committee over many years. I do have a quarrel with the detail, however. Last year, there were 4,600 hospital admissions as a result of knife crime. Will he confirm that it is still the policy of the Government that those who are caught carrying knives will be sent to jail?

Mr Clarke: I am grateful that the right hon. Gentleman does not differ in principle. I do not think that Opposition Front Benchers do either; they certainly do not have an alternative to put forward. Knife crime is a very serious matter. We are clear that the use of a knife in crime is serious. Anybody who stabs somebody else will go to prison—they usually do and they always should. Anybody who uses a knife in a threatening way in the course of a crime should go to prison. Anybody who carries a knife in circumstances in which its imminent use is likely should go to prison.

However, we have to avoid absolute tariffs that set in statute what the punishment should be for every particular offence. That was a mistake made by the previous Government. To fill up more than 20 criminal justice Acts, they produced ever more complicated and prescriptive rules, which judges sometimes find incomprehensible and which sometimes are in danger of flying in the face of the obvious justice of an individual case or the long-term interests of society.

Anna Soubry (Broxtowe) (Con): The majority of the people I represented who were burglars were addicted to drugs or alcohol. Does the Secretary of State agree that residential rehabilitation is usually far more effective at stopping such people reoffending than long custodial sentences?

Mr Clarke: I entirely agree with my hon. Friend. She has long experience, and much more recent experience than I have, of dealing with such problems in the courts. What we must do through, among other things, the payment-by-results approach and bringing in more private, independent and not-for-profit providers, working in co-operation and partnership with statutory providers, is find better ways of achieving better results in drug rehabilitation, the ending of alcohol abuse and the treatment of mental illness.

Kerry McCarthy (Bristol East) (Lab): Following on from the previous question, will the Secretary of State confirm that he will lobby for drugs funding, not just in his Department and the Home Office, but in the Department of Health? Unless drug treatment programmes are funded, we will not be able to treat drug addicts and prevent them from moving into the criminal justice system.

Mr Clarke: I will. My right hon. Friend the Home Secretary takes the lead in the Government in tackling drug problems and the Minister of State, Cabinet Office, my right hon. Friend the Member for West Dorset (Mr Letwin), is heavily involved too. We will use payment by results widely across the piece, not just with regard to offenders, to find out what works. We will put more emphasis on genuine rehabilitation, not just keeping people dependent on methadone for as long as happens in far too many cases in prison and in the community.

Dr Julian Huppert (Cambridge) (LD): I welcome the reference to the Rehabilitation of Offenders Act 1974 in the Green Paper "Breaking the Cycle", although that reference did not make it into the statement. It follows on from the excellent report by Lord Falconer, "Breaking the Circle", which unfortunately the Labour Government did not have the courage to do anything about. Will the Secretary of State assure me that this matter will be an important priority, particularly in ensuring that cautions become spent extremely quickly?

Mr Clarke: I can confirm that we are proposing to reform that matter. We are consulting on it, so I look forward to having the hon. Gentleman's representations on what level of offence should never be excluded from disclosure, how long it should take for cautions for other offences to be spent and what we should do about juvenile offences, which are sometimes held against people for far too long in what has become a law-abiding adult life. We will not duck the issue, we will reform the system and I look forward to hearing his views.

Mr Chuka Umunna (Streatham) (Lab): HMP Brixton is in my constituency, and 80% of the prisoners there are on short-term sentences of less than four weeks. I will look at the Green Paper to see what it will do to address the fact that it is difficult to rehabilitate within that time frame. I was e-mailed last week by the prison's independent monitoring board, which made it clear that there should be absolutely no cuts to the prison. What guarantee can the Secretary of State give me that the Green Paper will not be used to impose cuts on my local prison?

Mr Clarke: I realise the difficulties of a prison such a Brixton, with such a high proportion of its population being short-term prisoners. We cannot get rid of all short-term prison sentences. I have never believed that that was possible, because magistrates face people who have come before them frequently, and they have tried everything else. In such cases, there is absolutely no way of dealing with their recidivist behaviour other than to send them to prison, or sometimes back to prison yet again. I hope that some of the payment-by-results providers will be able to start providing rehabilitation for such people, for whom no provision is currently made once they are put out of the door.

As far as spending on the Prison Service is concerned, we are affected, as in every other service, by the financial constraints we are under. It is not true that it is not possible to make any savings in how we run the prison estate. Spending on the Prison Service will depend in large part on what burdens are imposed on the system in future years by the level of crime and sentencing patterns, because it is partly a demand-led service. I cannot simply give an undertaking that nothing will be changed. We intend to follow on from the last Government's policy of using competition, among other things, to test costs and ensure that we have the most cost-effective way of providing the quality of service that we want to provide.

Rehman Chishti (Gillingham and Rainham) (Con): As someone who both prosecuted and defended in criminal courts before coming to this place, I wish to mention the possession of knives. Does the Secretary of State have an assessment of the effect of the Violent Crime Reduction Act 2006, which increased the sentence from two years to four years? Does he agree that the best way to deal with knife crime is to deal with the gang culture that leads to the possession of knives?

Mr Clarke: Yes, I think the possession of knives is a scourge on society, particularly when it is associated with gang culture and all the other problems that it causes in many communities. I repeat, however, that judges and magistrates are in the best position to decide on the circumstances of a particular offence, the circumstances of the offender and the best way of imposing a penalty that protects the public.

We have to get away from the habit of the past few years of leaping in with a tariff that takes discretion away from the courts in each and every category of case. The tariff works in some cases but then, the next thing we know, the people who campaigned for it are campaigning like mad against some obvious injustice because it is inflexibly applied to some person who would be better dealt with in other ways.

Mr David Crausby (Bolton North East) (Lab): Earlier this year in my constituency, a driver who had been drinking crashed into a group of teenagers on the pavement, seriously and permanently injuring them. At the trial, the judge bitterly complained that he could give him only the maximum two-year sentence for dangerous driving. Will the right hon. and learned Gentleman join me in supporting the Drive for Justice campaign to give judges more flexibility in sentencing dangerous drivers?

Mr Clarke: I shall have a word with my right hon. and learned Friend the Attorney-General, because that is a perfectly valid point that we will consider. There is, of course, a higher penalty for causing death by dangerous driving, but the hon. Gentleman describes someone who behaved equally reprehensibly but happens not to have killed any of the victims. As I am arguing for discretion, we will look at whether the constraint is too tight.

In the case of ordinary dangerous driving without any serious consequences, and although I deplore all dangerous driving, we cannot start imposing heavy prison sentences on everybody who might otherwise be a blameless citizen and then behaves in an absolutely reprehensible way when driving his car. Some cases, such as the one described, make the case for having a look at the two-year maximum.

Mr Robert Buckland (South Swindon) (Con): I welcome the proposal in the Green Paper to expand the principle of restorative justice, but will my right hon. and learned Friend assure me that any moves to expand that approach will be victim-led rather than offender-led?

Mr Clarke: The answer to that is yes, I will. Restorative justice is proving to be remarkably successful, but I take my hon. Friend's point that it does not work if victims are not in the leading role. We have ensured very high levels of victim satisfaction in most of our experience so far of steadily spreading restorative justice.

Mrs Jenny Chapman (Darlington) (Lab): I welcome the Secretary of State's road-to-Damascus conversion to rehabilitation. I made a note of some of the promises that he makes in the Green Paper, which include regular working hours, restorative justice, custody diversion, and drug, alcohol and mental health services. What bothers me is that if those things are to be effective, they cannot be done on the cheap. It is wrong of him to promise such investment in rehabilitation, because the 23% cut to the Ministry of Justice and cuts in probation mean that those promises are completely undeliverable.

Mr Clarke: I make the point again: the hon. Lady does not appear to disagree with any of those proposals, but they were not priorities of the Labour party when it was in office. That is not where the money went. The Labour Government spent money on a colossal scale, but it did not go into the objectives that this Government now advocate.

Otherwise, to be fair, the hon. Lady makes a valid point. The House should understand that achieving the results that we want will take time. We are dealing with difficult problems, such as mentally ill prisoners, which are incapable of instant, overnight solution—*[Interruption.]* It is no good her making gestures about spending money, because simply spending money on mentally ill prisoners will not get us very far. We must spend money intelligently.

We are talking about a whole Parliament, but I emphasise that payment by results does not involve putting money up front. It avoids the danger of giving grants to this or that hopeful-sounding idea or project. Sadly, some of those projects do not work. Paying by results means that we will pay for what works. The projects that succeed will spread more rapidly.

Mark Reckless (Rochester and Strood) (Con): The secure training centre in my constituency protects the community when young people are locked up there, and often teaches them to read. As that costs more than £100,000 a year, what will the Secretary of State do to ensure that those benefits carry over when those young people are released?

Mr Clarke: It costs about £170,000 a year to keep somebody in a young offenders institution. Those who think that the numbers being detained are inadequate might reflect upon that. I agree strongly with my hon. Friend that what matters is the rehabilitative supervision that is in place after detention, with the support to deal with whatever the young person's problems are in addition to his bad behaviour. In that way, we ensure that we reduce to the absolute minimum the risk of his reoffending and getting back into the system.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Further to the questions asked by my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins), and my hon. Friends the Members for Bristol East (Kerry McCarthy) and for Darlington (Mrs Chapman), can the Secretary of State confirm whether extra cash will be made available by either the Ministry of Justice or the Department of Health to support all the rehabilitation measures that he outlined today?

Mr Clarke: I realise that the hon. Lady is a new Member of the House—*[Interruption.]* If the Labour party cannot move on from reacting to every social problem by saying that there must be more public expenditure and borrowing—Labour Members think that if we demonstrate that, we are tackling the problem effectively—it has no role in the government of this country for many years to come.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I very much welcome my right hon. and learned Friend's announcement that those who commit a crime using a knife can expect to be sent to prison. However, will he elaborate on another part of his statement? He mentioned having a sentencing framework that is comprehensible to the public, which I hope also applies to victims. I found during the general election that a number of my constituents do not understand why, when somebody is sentenced to six years, they automatically go home after three.

Mr Clarke: I have no anecdotal recollection of anybody who has stabbed somebody not going to prison. Actually, people who do not stab someone because they are stopped in time should go to prison too. A serious knife crime justifies a prison sentence, and I think that we can rely on judges to give serious prison sentences. They do not have to be told that the use of a knife in a crime deserves a serious sentence. However, if they want to be told, I and my hon. Friends will tell them.

Public understanding of the system is important. We will consider how sentences can be expressed in terms that the public understand. People do not understand that when someone is sentenced to a certain number of years in prison, they serve the first half in prison and the other half on licence, which means that they will be recalled to prison if they start falling down in their behaviour. There are many other aspects of our incomprehensible sentencing arrangements that are difficult to get across to the public. The rules given to judges for explaining sentences are a hopeless mess and need to be simplified, and I agree with my hon. Friend that we need to make it more transparent and clearly available to the public.

Mr Speaker: Order. May I remind the Secretary of State that I am always keen to hear his answers? I know that his natural courtesy inclines his head backwards, but I would like him to look at the House.

Kevin Brennan (Cardiff West) (Lab): Instead of giving prisoners the vote, why does the Secretary of State not incorporate the withdrawal of that civic right in a prison sentence? If he does not do that, will people not think that he actually wants to give prisoners the vote?

Mr Clarke: The hon. Gentleman was a Minister in the last Government for—I think—the past five years. For five years, the last Government accepted that they had to give some prisoners the vote. They consulted on it every now and then, but they did nothing. He should have come forward with his helpful suggestions when he was in office. We are about to produce our proposals on how to comply with the relevant judgment, but that will not involve giving all prisoners the vote. We will consider some of his points and then get on with it. The Government led by the previous Prime Minister were often incapable of taking a decision and getting on with anything.

Priti Patel (Witham) (Con): Will the Secretary of State reassure my constituents and guarantee that dangerous criminals, such as paedophiles, will receive demanding and robust punishment in prison so that our streets are kept safe for our children?

Mr Clarke: Yes. It is sometimes difficult to debate law and order in this country. Occasionally, I have to listen to a kind of looney-tunes debate about whether I am starting by releasing murderers, rapists, burglars or paedophiles. I believe that serious criminals should be in prison. I have never met a sane person who wishes to disturb that. I believe in long and severe sentences for people guilty of such a serious crime as paedophilia.

Clive Efford (Eltham) (Lab): May I suggest that the Secretary of State visit, as I did recently, the Isis centre at Belmarsh prison, which is taking some innovative steps towards rehabilitating young offenders? With that in mind, I think that young offenders sometimes need custodial sentences to turn their lives around. Will he confirm therefore that judges will not have the discretion to give anything other than a custodial sentence to someone who uses a knife in a criminal act?

Mr Clarke: I think I can, although I do not think we need to put it in statute. I would be utterly astonished if a judge did not give a custodial sentence to anybody who used a knife in a criminal act. I approve of prison sentences in such cases, but I do not think we need to legislate on it. It is the nuances of far less serious cases that will get us into difficulty. However, if a person stabs somebody, they should go to prison, and I would be quite shocked if somebody did not go to prison in such circumstances.

Paul Uppal (Wolverhampton South West) (Con): In September, I met an ex-prisoner who told me that a continual stream of custodial sentences was broken only when he swapped a life of crime for a life as a conscientious father. What measures can we consider to ensure that the families of offenders, and not just the offenders in isolation, are supported on the road to rehabilitation?

Mr Clarke: We would like to give professionals every possible encouragement to follow that advice. People who are criminal for a part of their lives and then stop often do so because family responsibilities and a secure family environment have taken them back into a more sensible and decent way of life. We intend to give the professionals more discretion in how they do that. The last Government were prone to setting targets, prescribing methods and setting down rules for community sentencing.

Mr Jack Straw (Blackburn) (Lab): It worked.

Mr Clarke: It did not work, despite what the right hon. Gentleman says. Over and over again, the professionals complained they spent half their lives in an office ticking boxes confirming that they had taken the prescribed course, rather than being able to tackle in an individual way the kind of problems my hon. Friend heard about when he met his constituent.

Fiona O'Donnell (East Lothian) (Lab): Let me begin by telling the Secretary of State that my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) and I may be new, but we are not daft. He said that prison could not be just an expensive way of giving communities a break. For victims of domestic violence, that break can be priceless or even life-saving. What reassurances can the Secretary of State give to victims about the criteria that he will use in deciding which IPP prisoners—those sentenced to imprisonment for public protection—who have completed their minimum tariffs will be released?

Mr Clarke: We are not just going to let IPP prisoners out—any of them. Release will be by the Parole Board. The Parole Board is currently experiencing considerable difficulty in evaluating whether prisoners can prove that they are a minimal risk when they are released, because it is very difficult to demonstrate that when the prisoner is in prison. We are going to readdress IPPs, to try to make them work as they were originally intended, for a comparatively small number of very dangerous offenders who pose a continuing risk, and look at the test that the Parole Board can apply. However, no one will be released until someone has assessed whether the level of risk is acceptable. It is impossible to guarantee no risk: there is nobody in prison about whom anybody could ever say, "This person is never going to be at risk of offending again." I am afraid that, in the real world, there is nothing we can do about human nature. Quite a number of the people in prison will inevitably commit crimes when they come out, but the number who reoffend has to be reduced, the IPP ones have to handled very carefully, and the Parole Board has to be given a proper test to apply.

Mr David Nuttall (Bury North) (Con): Further to the reply that the Secretary of State gave to my hon. Friend the Member for Suffolk Coastal (Dr Coffey), does he agree that if we are to restore the public's trust in the criminal justice system, there must be honesty in sentencing and that convicted criminals should serve the full length of any sentence of imprisonment handed down by the court?

Mr Clarke: I agree with honesty in sentencing—I have always supported that idea—and we will certainly be addressing the way in which it is explained by a judge in court, so that it is clear and comprehensible to the public. That includes explaining the term of imprisonment and the term of licence that follows—what is currently called "serving half the sentence". The first half is in prison; the second half is subject to recall to prison, but it is served on licence out in the community. To turn the full term into imprisonment, which no one has ever done, would merely involve doubling the sentence for every prisoner. The financial objections to that are only the first ones that I would raise.

Steve McCabe (Birmingham, Selly Oak) (Lab): Surely the courts must always determine when a custodial sentence is required. The public will not understand what sounds like the Secretary of State saying that he or the Treasury is setting out to constrain that decision making.

Mr Clarke: With great respect, I am obviously being particularly obscure today, because I agree with the hon. Gentleman; indeed, I was saying precisely the opposite of what he described. We have spent the last 10 years or so believing that sections of statute—some of which read rather like local government circulars—are required in order to tell the judges what to do in individual cases, and that we should prescribe exactly what they do, according to some careful analysis. The judges complain like mad about the incomprehensibility of the legislation they are supposed to be applying. I firmly agree with the hon. Gentleman that, by and large, judges are in the best position to judge the appropriate way of dealing with each case and each offender, just as juries are the right people to decide guilt or innocence in serious cases. Parliament must stop trying to second-guess and introduce rules that we believe, with the best of intentions, cover all cases but which will not cover the absolutely amazing variety of circumstances that tend to accompany any particular category of crime.

Paul Maynard (Blackpool North and Cleveleys) (Con): I congratulate the Secretary of State on avoiding the siren calls of populism that I have been so disappointed

[Paul Maynard]

to hear on both sides of the House today. Will he reassure me that when a prisoner is in prison, not only does he have a duty to make reparations but the state also has a duty, to offer him the opportunity of redemption, so that when he leaves that place of incarceration he has a chance to lead a useful and meaningful life—a life that is not reduced to one of stigmatisation or described, as I heard from the Opposition Benches, as that of a prisoner on the streets?

Mr Clarke: I agree with my hon. Friend entirely. We should give those who have the backbone to go straight, with help, a chance to do so because that will protect the public. Those who do not, and who commit crime again, will be punished again. It is just hopeless to suggest that giving extra emphasis to reforming criminals who want to be reformed is somehow weakening in the context of law and order; it is not. It would improve the protection of the public if we did it, and, as my hon. Friend says, it is a perfectly sensible way for a civilised state to behave.

John Mann (Bassetlaw) (Lab): Bassetlaw has the largest drug treatment programme in the country by far. We have reduced crime further by locking up repeat offenders. The Secretary of State is trying to get rid of the courts, he is getting rid of 300 front-line police officers, and now he is conducting this social experiment. Can my community, which is totally against this idea, please have an exemption? We could then compare and contrast the results to find out what works best.

Mr Clarke: One day I will convert the hon. Gentleman. With great respect, I think that he has been a great leader in his community in tackling the problem of drugs in Bassetlaw, and it is partly down to his efforts that it has been tackled in that part of Nottinghamshire much more forcefully than ever before. We are going to send repeat offenders to prison; no one is going to stop punishing people who keep offending. It is not a key part of the legal system in north Nottinghamshire that we should keep redundant courts, although we are still consulting on the two courts in his constituency. The foresight that he has shown on the problems of drugs will not be frustrated by our attempts to improve yet further the drug rehabilitation programmes that young people get in his constituency. This is not all about money, and that has not actually been the way he has approached this issue in the past few years either.

Mr Philip Hollobone (Kettering) (Con): Last year, more than 20,000 offenders with 15 or more previous convictions or cautions, and more than 2,500 offenders with more than 50 prosecutions or cautions, avoided a jail sentence. Will my right hon. and learned Friend's proposals not simply make that matter worse?

Mr Clarke: I do not think that they will make any difference, really—*[Interruption.]* No, do not start misquoting me. If the right hon. Member for Tooting (Sadiq Khan) cannot find anything that I have said to disagree with, I hope that he will not start misquoting me in order to find something. I would need to work through those 2,000 cases, and my first question would be to ask what the further offence was that they were up for. I am sure it was not parking. People who have previously committed a crime are not always sent to prison again, and the first thing we have to ask is how serious is the matter for which they are before the courts again. I hate to cast doubt on my hon. Friend's statistics, but a lot of the statistics used across this whole field as the basis for these arguments are hopelessly unreliable. We are not reducing punishment for serious crime, and we are not letting anybody out of prison. We are using prison as a punishment, and trying to prevent the kind of people that he has described from reoffending over and over again, because that is in the public interest.

Mr Rob Wilson (Reading East) (Con): My right hon. and learned Friend will know that education is key to rehabilitation in prisons. What facilities are there for young people in prisons such as the Reading young offenders institution, where big central contracts have failed and more local provision is needed under the guidance of the governor of the prison?

Mr Clarke: We will of course continue to try to improve the level of education available to people, particularly in young offenders institutions. We are reviewing the educational service, and I agree that in many cases a more localised approach is likely to produce a better standard of education services than attempts to impose some kind of centralised system.

Points of Order

4.34 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): On a point of order, Mr Speaker. Last Tuesday, the House debated the need for more information on higher education, including, crucially, on the access requirements that universities will have to meet in order to be able to charge the maximum £9,000 fee. According to press reports today, universities could be stripped of their right to charge students more than the lower level of tuition fees, yet actually, that sanction already exists, and guidance referred to in media reports suggests that there are no new changes to the legal constraints on university powers. Many people will wonder whether any university wanting to charge the full £9,000 will really be held back from doing so in practice. What steps can you take, Mr Speaker, to ensure that the House has a full and, crucially, accurate picture of the Government's plans for higher education before Thursday's vote on tuition fees?

Mr Speaker: I am grateful to the hon. Gentleman both for his point of order and for advance notice of it. The short answer to his question is that there will be an exchange on this matter on Thursday. I have every expectation that the full details of policy will be communicated, teased out, debated and made the subject of proper political argument. That, I think, is the most hopeful reassurance I can offer the hon. Gentleman. I have not received notice of any other ministerial statement, and I should not have expected to do so, but the opportunity presented later this week is one that I am sure he and others are eagerly anticipating.

Clive Efford (Eltham) (Lab): On a point of order, Mr Speaker. As you know, I am a shy and retiring Back-Bench Member of Parliament, and I am becoming increasingly distressed by the aggressive attitude of Government Members, particularly as we approach Thursday's vote on tuition fees. I wonder whether you have received an apology, Mr Speaker, for the Chief Whip's behaviour in the Chamber last night, as some of us feel that such an apology should be forthcoming.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. The House of Commons can be an excitable place, and in his 13 years here, the hon. Gentleman has witnessed examples of that. I am satisfied, however, that in respect of the business of House motion, no procedural irregularity whatever occurred. Discourtesy in the House is to be deprecated. Defiance of the Chair is totally unacceptable, and when it takes place, I make it clear in no uncertain terms that it should not take place again. I think that any Member, no matter whether that person be the newest entrant or one of the most senior office holders, will recognise that, in the cold light of day, that is the way it has to be.

Safe Standing (Football Stadia)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.37 pm

Mr Don Foster (Bath) (LD): I beg to move,

That leave be given to bring in a Bill to give all football clubs the freedom to build, or maintain existing, safe standing sections in their stadia if they choose; to establish minimum safety criteria that must be met for standing sections in football stadia; and for connected purposes.

Any debate on football stadiums will inevitably, and quite rightly, raise the spectre of the tragic events at Hillsborough in 1989 and those that preceded it such as in the Heysel stadium in 1985. No debate on this topic can avoid addressing those tragedies and their repercussions, which still resonate with us even now. The events of 15 April 1989, which saw the deaths of 96 people and the injury of hundreds more, were uniquely horrific. An entire city has struggled with that day's trauma ever since. The annual memorial services held at Anfield and elsewhere show that that day is still keenly felt and will never be forgotten, and nor should it be.

Nor should anyone believe that in raising the possibility of introducing safe standing in football grounds now, I am critical of the actions that were taken more than 20 years ago to outlaw standing at matches in the top two football leagues. I am certainly not calling for a return to the old-style terraces, which were poorly-designed, overcrowded, poorly monitored and entirely unsuitable for the purposes for which they were used. A return to that world would be a retrograde and wholly unacceptable step.

Today, I propose something very different—another step forward to more modern, safe football stands that provide what fans want, but do so with maximum safety. After all, standing is not inherently unsafe. Lord Taylor's report into Hillsborough cited many reasons why the disaster occurred, but the fact that the crowd was standing was not one of them. It happened, rather, as a result of gross overcrowding, a lack of concern for the safety and comfort of spectators, a lack of awareness of existing safety regulations and the poor design of the old-style terraces. The disaster happened because of a culture of negligence, not because standing is inherently unsafe.

Lord Taylor went on to recommend all-seater stadiums, because he argued that seats establish individual areas for individual fans and give them more space and comfort, prevent crowd surging, and make it easier to identify troublemakers in the crowds. I shall discuss how modern safe standing preserves those features in a moment, but it is worth noting that in making his recommendations Lord Taylor believed that fans would become accustomed to sitting and come to prefer it. Some 20 years later, the views of thousands of fans in the premiership and the championship demonstrate that that has not been the case.

When fans stand in all-seater stadiums today, it causes problems: it ruins the experience for those who want to sit. Equally, sitting ruins the experience for the many fans who prefer to stand. When they do stand, as many do, it is particularly unsafe. Yet, as we know, preventing large numbers of people from standing in all-seater stadiums is extremely difficult for stewards and the

[Mr Don Foster]

police. If it can be done safely, as I believe it can, it would be far better to have a mix of safe seating and safe standing areas in stadiums where clubs choose to offer such options. That way, children, families and others who want a more peaceful experience could have it, while those who want to stand could exercise that right. This can be done.

Countries such as the United States, Canada and Germany are certainly not negligent towards their citizens' safety. They have harnessed technological developments to create standing areas that truly are safe, and such areas are a popular choice with supporters. In such areas, as with seated areas, there are designated spaces for each fan, and there are barriers between rows, preventing surging, pushing or jostling. Individual fans can be easily identified if they are causing trouble, because they are limited to their own individual spaces. Thus, the key reasons why Lord Taylor recommended seating can also all be met with safe standing. In many cases, each individual standing area comes with its own flip-down seat. That corresponds with UEFA and FIFA rules that require international and European matches to be seating only. There is absolutely no evidence that such standing areas, where properly designed, managed and maintained, are unsafe for domestic matches. As numerous polls have shown, they are overwhelmingly backed by supporters and, as they create more space for fans, clubs could then reduce the price of tickets, thus offering another benefit for fans.

The question of standing is even more pressing for fans of Scunthorpe United football club. For them, promotion has come at a very high price. After Scunthorpe United FC's third season in the top two tiers, it will have to have converted its ground into an all-seater venue. That will reduce the ground's capacity, which is already the lowest in the championship, from 9,000 to 8,000. Neither the club nor its supporters want that. More seats mean less space, and so fewer supporters will get to see their team. If Scunthorpe United FC is demoted in future, it will not be able to convert some of its seating back into standing areas. The conversion will have come at tremendous expense, and Scunthorpe United FC will have paid for the privilege of ruining its own ground. I am grateful to the hon. Members for Scunthorpe (Nic Dakin) and for Brigg and Goole (Andrew Percy), on whose constituents this change has an impact, for their support for this Bill.

I am also grateful to the Minister for Sport and the Olympics, who I see in his place, for agreeing at least to consult relevant bodies. Sadly, I suspect that he will hear, as I continue to do, some outdated criticisms. Some will raise the issue of cost but, as my Bill proposes, that should be a matter for individual clubs to decide. Some will suggest that spectators have become used to sitting and like it, but that is patently untrue, as the long-running campaigns by football fans' organisations show. Some will argue that statistics prove that seated stadiums are safer than standing ones. For some years, the Football Licensing Authority did claim that. However, when its statistics were challenged as inaccurate, it subsequently withdrew them. As my Bill makes clear, minimum safety standards would be nationally established before any new safe standing areas are permitted.

Some might claim that seating has reduced hooliganism, but even before Hillsborough, hooliganism was declining. Inside grounds and outside, in clubs that are all seated and in clubs that are terraced, hooliganism has receded. The character of this country's fans has changed for the better. For example, no England fans were arrested at the World cup in South Africa with the exception of the practical joker who sneaked into the England team's dressing room. The decline in football hooliganism is not directly because of a move to all-seater stadiums. Last week's Home Office arrest figures show no evidence of any link between grounds where standing is still allowed and the number of arrests. There is no reason to believe that a move to introduce safe standing areas would mean an increase in hooliganism.

Finally, I have no doubt some will raise the issue of the UEFA and FIFA rules, which I mentioned earlier, that games under their jurisdiction must be played in all-seater stadiums, but with the inclusion of flip-down seats in each standing area those regulations present no problem, as was demonstrated in the Veltins arena in Germany, which was used for the 2006 World cup, and the Tivoli Neu stadium in Innsbruck, Austria, which was used during Euro 2008.

I defy opponents of safe standing to demonstrate that those stadiums are unsafe and that those countries are neglecting the safety of their fans by allowing standing. Following the Hillsborough disaster, it was right to take action against the old-style standing terraces, but modern developments mean that, as other countries have shown, it is perfectly possible to introduce safe standing into the stadiums of premiership and championship clubs if the clubs want to and when stringent safety standards are met. I hope the House will support moves to allow clubs to consider such options.

Question put and agreed to.

Ordered,

That Mr Don Foster, Andrew Percy, Nic Dakin, Greg Mulholland, Mr John Leech, Mr Mike Hancock, Bob Russell, Mr Roger Godsiff and Kate Hoey present the Bill.

Mr Don Foster accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June, and to be printed (Bill 121).

European Union Bill

[Relevant documents: The Tenth Report from the European Scrutiny Committee, European Union Bill and Parliamentary Sovereignty, HC 633 I and II, and the uncorrected transcripts of oral evidence taken before the Committee on 22 and 25 November and 6 December HC 633-i, ii and iii.]

Second Reading

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I have it in command from Her Majesty the Queen to acquaint the House that Her Majesty, having been informed of the purport of the European Union Bill, has consented to place her prerogative, so far as it is affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

Mr Deputy Speaker (Mr Nigel Evans): Mr Speaker has selected the amendment in the name of the official Opposition.

4.48 pm

Mr Hague: I beg to move, That the Bill be now read a Second time.

In the past 25 years, the EU has changed many times, each change marked by a new treaty: the Single European Act, the Maastricht treaty, the Amsterdam and Nice treaties, the failed EU constitution and its modified successor, the Lisbon treaty. As a result, the EU now has a greatly enlarged place in our national life, policy and politics. At the same time, we have seen a growing disconnection between the people who put us here in Parliament—the British people, the voters—and the EU's institutions. There is a growing sense, shown by falling turnout in European elections and a variety of surveys, that the EU's democratic legitimacy in this country has been weakened.

It can be said in mitigation that all but one of those treaties had its place in the manifesto of the party that won the general election, the exception—a rather important exception—being the last such treaty, the Lisbon treaty. It cannot be denied, however, that there is a problem—a severe one—that will only grow worse unless we take steps to address it, and the European Union Bill is part of the coalition Government's answer to that problem. Indeed, the crowning argument for the Bill was the behaviour of the last Government, who opposed a referendum on the EU constitution, then promised one, then refused to hold one on its substantially similar reincarnation as the Lisbon treaty. The Bill will prevent Governments from being so deceptive and double-dealing when it comes to giving voters a say.

Mr Tobias Ellwood (Bournemouth East) (Con): I congratulate my right hon. Friend on introducing this important Bill, which will ensure that parties do not make a proposal on one side of an election only to conduct a U-turn on the other. Has he had any discussions with the Labour party on its position on the Bill, or will it be walking into the next election supporting a case in which the British electorate will again be denied the opportunity to conduct affairs on Europe?

Mr Hague: That is something for the Opposition to consider and they will have some time to do so before the next election. The position set out in their amendment appears to be at best uncertain in that they agree with the principle of doing such a thing but not with doing it in practice. That is rather like the position they often occupied in government of being in favour of referendums but never actually holding one on any European matter for which they were responsible.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab) *rose—*

Mr William Cash (Stone) (Con) *rose—*

Mr Hague: I shall take an intervention from the Opposition before I give way to my hon. Friend. The hon. Member for Birmingham, Edgbaston (Ms Stuart) did, of course, favour a referendum on the Lisbon treaty.

Ms Gisela Stuart: How would the Secretary of State describe a party that promised a referendum and then, in order to avoid one, simply changed the question, as the Members who are now in coalition with his party did in the last election?

Mr Hague: I am not here to answer for the party policies of other members of the coalition but for the coalition Government as a whole. The hon. Lady can rest assured that both parties in the coalition join strongly in their support for the Bill. It is sponsored by the Deputy Prime Minister and the Prime Minister, and it is therefore easy for people in a third party to join us in supporting it, as the hon. Lady will no doubt want to consider doing.

Mr Cash: Given that we stood united as a party in opposing the Lisbon treaty and supporting a referendum, and given that we voted for that, will my right hon. Friend explain why we have done a U-turn on that within the coalition Government? Will he also explain why he was not prepared to come to my European Scrutiny Committee to explain the circumstances behind the Bill?

Mr Hague: On the first point, I do not think the coalition Government have done a U-turn, as the Bill implements part of the coalition agreement that was set out in the few days after the general election. It is true that the Conservative party, when the Lisbon treaty was ratified last year, said that in those circumstances we could no longer hold a referendum on the treaty. That, of course, was made clear before the general election. My hon. Friend is being a little unfair to both parties in the coalition.

On the second point, I understand that my hon. Friend the Minister for Europe gave a splendid exposition of the Government's position to the European Scrutiny Committee. As the Minister who was most involved in drafting the Bill, he was best equipped to go before the Committee. I look forward to discussing these issues with my hon. Friend the Member for Stone (Mr Cash) on many occasions. Let there be no fear about that.

Mr Bernard Jenkin (Harwich and North Essex) (Con): In our manifesto we promised to amend the European Communities Act 1972, and the coalition agreement states:

> "We will amend the 1972 European Communities Act so that any proposed future treaty that transferred areas of power, or competences, would be subject to a referendum on that treaty—a 'referendum lock'."

But the Bill does not amend that Act.

Mr Hague: My hon. Friend may have worked out that the Bill has exactly the same effect as amending the Act and that it therefore absolutely honours the commitment in the coalition agreement. We additionally agreed, in the coalition agreement, that we would not agree to any transfer of powers from Westminster to Brussels for the duration of this Parliament. In addition, if Parliament approves the Bill, any future treaty change that transfers powers from Britain to the EU could be agreed only subject to the consent of the British people. That will provide a referendum lock to which the British people hold the key. The Bill makes a very important and radical change to how decisions on the EU are made in this country. It is the most important change since we joined what was then called the European Economic Community. It marks a fundamental shift in power from Ministers of the Crown to Parliament and the voters themselves on the most important decisions of all: who gets to decide what.

It has been said that because the Bill will place a high democratic test before any Government can agree to participation in deeper political integration in the EU, it will marginalise Britain, but I believe that that argument is dangerously mistaken in its assumption of what progress in the EU means. The yardstick for progress in the European Union is not the depth of political integration. The lost opportunities of the past decade of institutional navel-gazing have made that plain. Progress for the European Union means its institutions' ability and willingness to help its member states meet the challenges of today, and for us today that means our international economic competitiveness, sustainable low-carbon growth and the use of our collective weight in the world to advance our shared values and interests.

That is why, from their first day, the Government have been active and activist in European policy. That is why we have played a strong and positive role in the EU which in six months has delivered significant results—agreement on EU sanctions against the Iranian Government that are already having a material effect, and agreement on measures that will substantially aid Pakistan's economic recovery in the aftermath of the floods. We have pushed hard at EU level on measures to further free trade, in particular with Pakistan and South Korea, thus far with success.

The UK has not taken part in every aspect of the EU's development. The euro was created, and the decision to retain our own currency has, for example, been vindicated. Staying out of the euro and maintaining our own border controls has not weakened our influence, either. The previous Government's successful championing of enlargement to the east, to which I pay tribute, is proof of that. In the single market—for example, on patent reform—the UK should be ready to move forward in the national interest with other like-minded partners.

As in all matters, the Government's policy on European issues should be based on the pursuit of our enlightened national interest. Our ability to advance our goals by working with European partners is crucial to that. Ensuring that our role is based on democratic consent is equally necessary, and that is what the Bill is about.

Mr John Redwood (Wokingham) (Con): Will the Foreign Secretary explain why, when the Government are giving away powers to regulate the City, powers over criminal justice, powers in two regulations and a directive that will affect our economic governance, and big new powers for an expanded External Action Service, none of those qualifies for a referendum under the Bill? People want a referendum now on the powers that the current Government are giving away.

Mr Hague: That is simply because we are not giving away those powers. The European External Action Service was agreed, established and given its role by the Lisbon treaty. My right hon. Friend may regret that, and I may regret that, but it was given by the Lisbon treaty. On the City, the European Union has long had the power to legislate in this area, which has equally long been subject to qualified majority voting and co-decision with the European Parliament. On economic governance, it is clear—for instance, in the Van Rompuy report on economic governance—that the proposed sanctions do not apply to the United Kingdom and that the proposed changes will not affect the United Kingdom. I reject my right hon. Friend's basic thesis.

Mr Edward Leigh (Gainsborough) (Con): Is not the argument between my right hon. Friends precisely the problem? Surely Parliament must be sovereign because the people must be sovereign. What will happen in future if there is some row about whether a referendum should take place or not once the Bill becomes law? Will not our affairs then become justiciable? Is that not an attack on the sovereignty of Parliament, which we must believe in?

Mr Hague: I shall come to that point. It requires clarity in the Bill, as far as possible, on the circumstances in which a referendum would or would not be held. That is the safeguard against what my right hon. Friend the Member for Wokingham (Mr Redwood) is complaining about in relation to rights that have been given away in the past. It would have been good to have a referendum on those. The Bill is about the future—let us be clear about that—and we have to make it as clear as possible.

Several hon. Members *rose*—

Mr Hague: I will give way two more times and then make some progress, to be fair to the House

Kate Hoey (Vauxhall) (Lab): The Secretary of State has mentioned the Lisbon treaty a number of times, saying that because of it we cannot do certain things. Surely the public will think that no Government should be committed to previous Governments' decisions, and that it would be perfectly possible—there would be huge support for it—for the coalition Government to say, "Now we are in government, we want a referendum on the Lisbon treaty." That would sort out the whole situation, because clearly the public would vote against it.

Mr Hague: As the hon. Lady knows, since the Lisbon treaty was ratified it has been built into the treaties of the EU. It does not have a separate existence once it is ratified. A referendum on that would be the same as a referendum on taking part in all the EU's institutions—in other words, being in the EU at all.

Kate Hoey: Yes.

Mr Hague: The hon. Lady may be in favour of a referendum on that, but that is not what the Bill is about. This Bill concerns any Government proposing to give away powers in the future. Let us be clear about that.

Mr James Clappison (Hertsmere) (Con): My right hon. Friend the Member for Wokingham (Mr Redwood) mentioned criminal justice powers, and the last Conservative manifesto saw fit to promise to work to bring back key powers over legal rights and criminal justice. Is my right hon. Friend aware that the Government have not just not sought to repatriate these powers, but have actually given additional powers to the European Union, as they did just last Friday when they chose to opt in to a criminal justice directive over which there was an opt-out, not only without a referendum but without even a vote in this House of Commons? Will he give serious consideration to requiring a vote of the House of Commons and the House of Lords before there are any further opt-ins to significant pieces of criminal justice legislation from the EU that will give the European Court of Justice jurisdiction over our courts?

Mr Hague: My hon. Friend raises a very important subject—a rather large subject, unfortunately, for those watching the length of speeches today, because I want to answer his question properly. Let us be clear that in the context of the Bill, it is any proposal to give up our freedom not to participate in justice and home affairs decisions that would be subject to a referendum. That would be from where we are starting—the extension of the power of the EU. But it is also important to be clear that the justice and home affairs ratchet clauses, as I call them, covered in the Bill amend the treaties by allowing for an expansion of what can be done within existing areas of EU competence. They are clearly passerelle clauses. We said in the coalition programme for government—that is our reference document here—that the use of any passerelle clause would require primary legislation, so that is also the case.

The opt-ins, which are a different category, are a very important subject, but they are not for this Bill. Given that there are strict time limits applying to the UK's decision to exercise an opt-in, which is within three months of the receipt of a proposal—

Henry Smith (Crawley) (Con): Will my right hon. Friend give way?

Mr Hague: I am answering my hon. Friend the Member for Hertsmere (Mr Clappison), so I had better complete the answer before I give way again.

The fact that there are also 30 to 40 proposals per annum means that it is not possible to place a primary legislative lock or parliamentary resolution requirement on the exercise of the opt-in. Therefore, it is important to be clear about the distinction of these different categories of decisions on justice and home affairs.

Several hon. Members *rose*—

Mr Hague: I had better make some progress, because I will return to all those subjects in the course of my speech.

The nature of how our society relates to its politics, and the expectation of the British people's involvement in decisions that affect them, has changed. In the years since 1997, we have had referendums in Scotland, Wales, Greater London and the north-east of England on proposals for devolution of power; in Northern Ireland we have had a referendum on the Belfast agreement; and legislation is before Parliament now to hold a referendum on a change to the parliamentary voting system. Changes that affect the powers exercised on behalf of the people by Parliament have been considered to be important enough to require the endorsement of the people in a referendum.

At the same time, there is a widespread perception that the really important decisions about the EU have been taken without real consideration for the wishes of the people, and much of that is reflected in my hon. Friends' comments. Many in the House, including me, think that the ratification of the Lisbon treaty, without the promised referendum, was wrong, and it did a great deal of damage. That perception reinforces public alienation from the EU and decisions taken on the EU by Governments, and that is what we now have to put right. Therefore, we in the coalition Government have resolved that we need to rebuild trust and reconnect people and enhance parliamentary control over EU decisions, so, as with our proposals for elected police commissioners, our plans to enable parent groups to establish free schools in their communities and our proposals to hold a referendum on the voting system, we are giving more power from the centre to the citizens of this country.

Mark Reckless (Rochester and Strood) (Con): The Foreign Secretary speaks of public alienation, but does he recall saying:

"If you believe in an independent Britain, then come with me, and I will give you back your country"?

Does he understand the disappointment felt by so many Members on the Government Benches and in the country about the European journey he has since taken?

Mr Hague: I remember well saying that. It was a very good speech, and it is recommended reading for all those who have trouble sleeping. It is even in a book somewhere, so I am grateful to my hon. Friend for quoting it. He can rest assured that I would have held a referendum on many things that have happened since then, including on the Lisbon treaty. Indeed, I asked for a referendum on other European treaties that were introduced during that time. However, it is our misfortune when we start in government, whenever we start, to start from where we are, and we start from here—in a coalition Government, meeting the commitments in our coalition agreement. That is what we now have to take on.

As hon. Members who were present for the Lisbon treaty debates might remember, there are now essentially two ways in which treaty change can be agreed by the Governments of member states: the ordinary revision procedure, under which any amendment to the treaties must be agreed unanimously by member states, and, following the Lisbon treaty, the simplified revision procedure, under which the European Council can decide to amend those parts of EU treaties devoted to internal policies, such as the single market and justice and home affairs.

[Mr Hague]

Under our current law, any change under the simplified procedure, defined in this Bill as an "Article 48(6) decision", would require only a Minister of the Crown to move a motion in both Houses and for both Houses to vote positively to approve the change. It is easy now, and it was easy in 2008 when that provision was debated, to see how that level of parliamentary control for a formal treaty change is grossly inadequate. The Bill therefore ensures that any future amendment to the treaty on the European Union or to the treaty on the functioning of the European Union, under either revision procedure that I have just outlined, will require parliamentary approval by Act of Parliament before the United Kingdom is able to ratify the change.

That is a significant addition to the powers of Parliament to hold Ministers to account for the decisions they take in Brussels. It was an addition that I championed in opposition and one that this Government will now put into statute to ensure that parliamentary control is enhanced further. That is the first thing that the Bill achieves.

Henry Smith: I welcome the Bill, but if it becomes law a future Parliament will be able to repeal it, so ultimately, do we not, like other European countries such as Germany, need to codify the sovereignty of this Parliament in a written constitution?

Mr Hague: That is a wider debate, and there is a legitimate argument for that. I hope that the Bill becomes part of the accepted constitutional framework of this country, for which, over time, it will have to receive widespread public support and the acceptance of parties from all parts of the House. The Opposition, as we have said, will have some time to think about it. Indeed, they might have a very long time before they return to government—I certainly hope so. I hope that the Bill becomes part of our permanent constitutional framework, but the argument for a written constitution ranges much wider than the scope of the Bill.

Chris Bryant (Rhondda) (Lab): Will the right hon. Gentleman give way?

Mr Hague: Yes, I give way to the hon. Gentleman, one of those who would not hold a referendum on the Lisbon treaty.

Chris Bryant: The right hon. Gentleman knows well that I have long opposed referendums on almost everything. I am not a fan of referendums; I believe in parliamentary democracy, but that is a different debate from today's.

The hon. Member for Crawley (Henry Smith) makes a good point—that the Bill does not really introduce a referendum lock. It closes the door for a while, until such time as a Government of any colour, whether Conservative, Liberal Democrat—well, that is fairly unlikely—or Labour, choose, if they want to, to derogate from the Bill in any provisions that they introduce. Is that not the danger—that the Bill might just seem like no more than political posturing?

Mr Hague: As I go through the description of what the Bill entails, the hon. Gentleman will understand that it is a lot more than that. It means a great deal for what happens in this Parliament. It means that not only do we have our commitment not to transfer more powers from this country to the European Union, but that in a vast range of circumstances we would have to hold a referendum if we contemplated doing so.

It will be very difficult for future Governments to go back on those commitments, but we will see; that is something for the Labour party to contemplate. In future elections, it can choose whether to say that it will weaken democratic accountability in this country or whether to accept the changes for the long term. That is a choice it will have to face, and there is no sign in its reasoned amendment today that it is yet making that choice. However, it will have to make that choice, and the hon. Member for Rhondda (Chris Bryant) will have to make it.

Charlie Elphicke (Dover) (Con): Will my right hon. Friend give way?

Mr Hague: I shall try to space out the interventions, but I will come to my hon. Friend.

Clause 4 sets out the criteria that the Government of the day would have to apply to determine whether a transfer of competence or power would occur under a future treaty change. The Act of Parliament seeking parliamentary approval for the treaty change would also make provision for the holding of the referendum, if a referendum were required. Following the entry into force of the Lisbon treaty, the different types of EU competence—a European legal term that really means the power to act in an area of policy—and the extent of each type of competence has been set out explicitly in the treaties. Under this legislation, any extension of competence would trigger a referendum. That would also include any extension or creation of a new objective for the European Union. That is all clear in the Bill.

Power, on the other hand, is not so clearly defined, so I want to establish here what we mean by a transfer of power as set out in clause 4. First, it means the giving up of a UK veto in a significant area of policy because that would mean that the UK would lose the ability to block a future measure made under that treaty article. There is a large number of vetoes in the treaties, and many of them are in areas that hon. Members on both sides of the House consider important and sensitive—for example, foreign policy, tax, justice and home affairs. It is right that any treaty change that would transfer from unanimity to qualified majority voting the way in which decisions were taken over those key areas of policy should require the consent of the British people before a Government agree to such a change.

We do not propose to hold a referendum over the giving up of the veto over more minor or technical measures such as any future agreement to change the numbers of Advocates-General in the Court of Justice of the European Union. In my view, giving up such a veto would be a mistake and should require primary legislation in the House, but I do not think that the British public would understand it if such a narrow and relatively minor measure were to require a national referendum.

Mr Denis MacShane (Rotherham) (Lab): If the right hon. Gentleman has the power of veto, he can stop anything that he does not like. Why does he then need a referendum?

Mr Hague: We need a clear framework for referendums because Governments such as the right hon. Gentleman's promised the people a referendum and then reneged on that commitment, and because the level of public trust has dramatically declined. This is a new framework of law for this country and I believe that it will enjoy growing support over the years. It already enjoys the strong support of two political parties in this country. That in itself is an enormous advance on where we were starting from in the last Parliament, as the right hon. Gentleman well knows.

Charlie Elphicke: Does my right hon. Friend agree that the central point of the Bill is that if a future Government came along and attempted to cheat the British people out of a referendum, as the previous Government did—as the hon. Member for Rhondda (Chris Bryant) well knows—they would not be able to do it without explicitly repealing and amending the Act? They could not hide behind word games and semantics.

Mr Hague: My hon. Friend is absolutely right. Of course, the Labour party will be asked before future general elections what its approach would be. It will be asked to give the commitment to maintain the referendum lock; otherwise people will know that it would propose in office to do exactly what it has done before—give away the rights and powers of the British people without the consent of the British people. If the Labour party wants to go into a general election on that basis, let it do so, but it would be wiser for it to adopt this framework for the future.

Mark Hendrick (Preston) (Lab/Co-op) *rose*—

Graham Stringer (Blackley and Broughton) (Lab) *rose*—

Mr Hague: I will give way, but I want to make some more progress and get through my speech, as well as taking interventions.

The second way in which power will be transferred from Britain to Brussels, as defined for the purposes of the Bill, will be by granting an EU institution or body, through treaty change, a new ability to impose further obligations or sanctions on the United Kingdom or on individuals and organisations within the United Kingdom.

That point has been the subject of some debate, although some of that has been based on scant acquaintance with the content of the Bill. It has wrongly been claimed that Ministers will be able to use a significance test on any future treaty change. That is not true. The Bill places an absolute and unqualified referendum requirement on the transfer of competence, the creation of new competence, or the removal of limits to existing competences and upon a whole raft of vetoes. The Bill also provides that the consent of the British people will be required if the Government wish to agree to certain other specific decisions—for example, joining the euro, joining a common European army, or joining the group of countries that have shared border controls.

If the only reason for a proposed treaty amendment being caught by the referendum lock is that it would, while not transferring or extending competence, confer upon the EU the ability to impose new obligations or sanctions on this country, we need to be able to distinguish between important and minor changes. We are providing a workable, sustainable solution to prevent referendums being held on matters that we could not justify to the public as having the significance to merit a referendum.

Mark Hendrick: The right hon. Gentleman is making it plain in his remarks that the Bill is not aimed at the current Government; it is aimed at a possible future Labour Government. He says that he would not trust a future Labour Government, but does he trust his current partners? He has described the Liberal Democrats as wanting to go all the way towards a united states of Europe, so what is his position? Does he trust them, or does he trust us?

Mr Hague: The Bill is aimed at all Governments, including our own, any future Governments and any combinations of Government. Yes, we have new partners in government and, on the basis of the past seven months, I trust them a great deal more than I would trust the Government we had before the election. Let the hon. Gentleman be absolutely clear about that.

On how the Bill works and ministerial accountability for decisions on whether to hold a referendum, a Minister of the Crown will be required to make a statement within two months of a treaty change being agreed by member state Governments. That ministerial statement will have to give reasons why the treaty change does or does not require a referendum, and those reasons will have to refer to the criteria set out in clause 4.

Mr Douglas Carswell (Clacton) (Con): Will the Foreign Secretary give way?

Mr Hague: I will in a moment, yes. Like any ministerial decision, it will be open to any member of the public—yes, any member of the public—who is entitled to vote in a referendum to challenge the Minister's judgment through judicial review. The reasoned statement set out in clause 5 makes any such ministerial decision as amenable to judicial review as is possible. That provides a powerful reason for Ministers to stick to both the letter and spirit of the law, and not to seek to sidestep the requirement for a referendum. We have ensured that we are as precise as possible about what would require a referendum.

Mr Cash: Will the Foreign Secretary give way?

Mr Hague: I will give way again in a moment, but I shall give way to my hon. Friend the Member for Clacton (Mr Carswell) next.

We have also provided further clarity on the scope of the referendum lock by setting out certain categories of treaty change that would not require a referendum: first, the accession of a new country to the EU—the hon. Member for Birmingham, Edgbaston looks surprised—would not require a referendum, although each accession treaty would still require approval by an Act of Parliament; secondly, a treaty change that, while it would have to be agreed and ratified by all member states, would not apply to this country; and, thirdly, a treaty change that merely sought to codify EU practice in relation to the previous exercise of an existing competence. The Bill does not cover any use of the EU's existing competences as defined in the treaties, because those competences have already been transferred and the extent of the competences is set out in European law.

Mr Carswell: The Foreign Secretary has spoken of a referendum lock. Given that this Parliament cannot bind the next, that a future referendum would rest on a ministerial decision in the way that he describes, and that a new law would be required for such a referendum to be held, in what sense is it a referendum lock? It is a piece of legislative PR, perhaps, but not really a lock.

Mr Hague: My hon. Friend, perhaps deliberately, understates its importance by overstating the scope for ministerial decision and the significance test. The Bill is very clear that, on 44 specific treaty articles, the removal of the veto requires a referendum, and that the substantive use of 12 treaty articles requires a referendum. There is no scope for Ministers to decide that those things do not require a referendum. There is no scope for Ministers to decide that a decision to join the euro, to subscribe to a European army, to give up our veto on the financial framework, to give up our veto on foreign policy or to give up control of our borders does not require a referendum. Let us be absolutely clear about that.

My hon. Friend said that we cannot bind our successors in this respect, but of course that could be said about so many of the laws that we propose, and are proposed under future Governments, which we intend to have long-term effect. If we took that attitude on everything, there would be no point in doing anything or ever getting up in the morning to come to Parliament at all. We are trying to create a long-term and enduring framework, and I believe that we have a very good chance of doing so.

Graham Stringer: When the right hon. Gentleman was in opposition, I enjoyed his speeches on Europe: they were magnificent; leonine. I voted with him on the Lisbon treaty—not just on the basis of his speech, but because it was in our manifesto to vote for the Lisbon treaty. However, I wish that he was using now the arguments that he used then. The public are not interested in the details in this Bill—they think that too much money is spent on the European Union and that it has too much power. Are not the Conservative party and the Foreign Secretary going to give the people of this country an opportunity to have their say on that?

Mr Hague: The public are right, and my arguments are the same as they were on the Lisbon treaty—*[Interruption.]* They may not sound like it; I have to explain an 18-clause Bill, so they may not sound quite as dramatic. The hon. Gentleman may be right that the public are not interested in the details of the Bill, but Parliament needs to go through those details. My argument is exactly the same as the one that I made on the Lisbon treaty—that where a Government propose to hand over the powers of this country, there should be a referendum. There should have been a referendum on the Lisbon treaty. If there is any future treaty change of the kind that I have described, there should be a referendum. It is exactly the same argument. I am grateful to him for voting with me then, and I trust that on the same basis he will be voting with me today.

I will now give way to someone else—

David Miliband (South Shields) (Lab) *rose*—

Mr Hague: Since the right hon. Gentleman has reappeared in the House, I will give way to him.

David Miliband: I, too, very much enjoyed the right hon. Gentleman's speeches when he spoke for the Opposition, and it is nice to be able to ask him some questions now.

Schedule 1 of the Bill is entitled,

"Treaty provisions where amendment removing a need for unanimity, consensus or common accord would attract referendum",

and it lists things such as the appointment of judges and advocates-general of the European Court of Justice. Is the right hon. Gentleman really saying that we are going to have a referendum in this country if his Government, or any future Government, decide that they want to transfer competence on that issue?

Mr Hague: We welcome the right hon. Gentleman back to the House. It is traditional in these circumstances to sit on the Front Bench below the Gangway in a menacing posture towards his own party, and we notice that he has gone to sit in that particular position. There is some political significance in that.

I thank the right hon. Gentleman for stressing the detail into which the Bill goes and the extent to which we are insisting that a referendum should be held, because that should be of enormous reassurance to some of my hon. Friends. On the specific subject of the advocates-general, one of the matters that I said would not be subject to a referendum is the loss of our veto on the number of advocates-general.

Mr Cash *rose*—

Mr Hague: That will no doubt have been of some reassurance to my hon. Friend, to whom I give way.

Mr Cash: I am extremely grateful again to my right hon. Friend. Does he recall that in the evidence that was given to my Committee and in the conclusions of the report that it produced last night, there was an assertion and a conclusion that the Bill invites litigation in the courts? He has just confirmed, with regard to the circumstances of a referendum, that he too would invite litigation. Does he not think that the time has come when this House, as the ultimate authority of the law of this land, should decide such matters, and not just buck them over to the courts?

Mr Hague: The Bill is about many matters being decided in this place or by the people. The hon. Gentleman's point is distinct from the one that was raised in the European Scrutiny Committee report about clause 18. I made the point that an executive ministerial decision is subject to judicial review, which is always the case. The decision of the right hon. Member for South Shields (David Miliband) on the Lisbon treaty was taken to judicial review by Mr Stuart Wheeler, albeit unsuccessfully. Ministerial decisions are subject to judicial review and that is not changed by the Bill.

The right hon. Member for South Shields is still looking puzzled about the position of the advocates-general. The loss of the veto in the appointment of advocates-general and European Commissioners would be a significant loss of national—

David Miliband *indicated dissent.*

Mr Hague: The right hon. Gentleman may roll his eyes about that, but it would be an important loss of national power. I thank him for illustrating the comprehensive nature of the Bill. I will give way one more time before I resume my argument.

Ms Gisela Stuart: Accession treaties are exempt from the referendum requirement. Will the Foreign Secretary explain how the accession of Turkey, which by that stage would probably have a larger population than Germany, would not amount to a considerable loss of influence for the United Kingdom, given the system of qualified majority voting? Why is it therefore exempt from a referendum? I just do not get it.

Mr Hague: That is a different argument about referendums on accession treaties. Such treaties do not extend the powers and competences of the European Union, and so are not within the terms of the Bill. If the hon. Lady wants to advocate a referendum on the accession of Turkey, there will, sadly, be time for her to do so because the process will take a while. However, that is a separate argument from the extension of powers and competences.

Mr Andrew Turner (Isle of Wight) (Con) *rose—*

Mr Hague: No, I must make a bit of progress.

The Bill will give Parliament more control over whether the Government can agree to a number of other important EU decisions, sometimes referred to as the self-amending provisions of the Lisbon treaty. Those decisions, which are known as passerelles or ratchet clauses, contain built-in mechanisms that allow modifications to EU treaties or the exercise of one-way options, without recourse to either of the formal methods of treaty change.

The Government have identified three types of ratchet clause, although I hesitate to go into detail after the comments of the hon. Member for Blackley and Broughton (Graham Stringer). However, it is important to be clear on this matter. There are clauses that allow for a change of legislative procedure, clauses that allow for changes in voting procedure and clauses that allow for the expansion of the scope of an article allowing the European Union to act.

Given the lack of a universal definition and the Government's aim of ensuring that our proposals are as clear as possible to Parliament and the public, we have set out explicitly which treaty articles require additional levels of control. As with future treaty changes, passerelles or ratchet clauses that entail a transfer of power or competence will require the consent of the British people in a referendum. There will be a referendum requirement on any methods in the treaties for giving up vetoes that we have deemed to be significant. Clause 6 covers the simplified revision procedure and six provisions in the treaties that allow for vetoes to be given up without formal treaty change.

Clauses 8 and 9 provide for parliamentary controls over two types of decision: the use of article 352 of the treaty on the functioning of the EU—the so-called broad enabling clause—and the use of three ratchet clauses in the field of justice and home affairs. Some additional proposals that require a vote in both Houses, rather than a Bill, are listed in clause 10. They are mostly articles that modify the composition, rules of procedure or statutes of existing EU institutions or bodies.

The coalition stated in its programme for government that it would examine the case for a United Kingdom sovereignty Bill. I announced in October that, following that examination, we had decided to include a provision in this Bill to place on a statutory footing the existing common law principle of parliamentary sovereignty. The doctrine that EU law has effect here for one reason only, namely that authority has been conferred upon it by Acts of Parliament and subsists only for as long as Parliament so decides, has been upheld consistently by the courts. However, we can see considerable merit in placing that position beyond speculation on a statutory footing. That will guard against any risk that in future, common law jurisprudence might drift towards accepting a different argument. In other words, we have included a clause that underlines the fact that what a sovereign Parliament can do, a sovereign Parliament can undo.

Mr Cash *rose—*

Mr Hague: I give way to my hon. Friend for the last time.

Mr Cash: I wish to put on record the fact that, in the conclusions to the European Scrutiny Committee's report issued last night, we unequivocally rejected the notion of a common law principle, because it would offer the courts a gateway to take over jurisdiction in areas that we regard as unacceptable in UK constitutional law.

Mr Hague: Yes, I have read the report, of course, and I note the concerns about the references to the common law in the explanatory notes. However, those references are meant simply as a contradistinction to statute, given that the principle of parliamentary sovereignty is defined nowhere in statute. They are not meant to be determinative of the origin of the principle, which is an issue that goes far beyond the scope of the Bill.

As I set out a few moments ago, under current law any proposal to amend the EU treaties using the ordinary revision procedure can be ratified by the United Kingdom only once parliamentary approval has been obtained by Act of Parliament. We have therefore made provision in the Bill for Parliament's approval of the transitional protocol on MEPs. That will allow 18 MEPs from 12 member states, including one from the UK, to take up their seats without having to wait until the next scheduled elections in 2014. As that protocol does not transfer any power or competence from the UK to the EU, a referendum is clearly not required. As it is a treaty change, however, all member states are required to ratify it. The Bill also makes the necessary provisions to elect our new MEP, who will, based on the recommendation made by the Electoral Commission in its report last month, represent the West Midlands.

Chris Bryant: Will the Foreign Secretary give way?

Mr Hague: I think I should try to conclude my speech and give others a chance, but on that point, I give way one last time.

Chris Bryant: Is the Foreign Secretary satisfied that the process that the French and Italians are using to change their representation is sufficiently democratic?

Mr Hague: I am satisfied that it does not affect the rights or powers of the United Kingdom and therefore does not require a referendum in this country.

The Bill will give the British people and Parliament powers that they have not previously enjoyed in decisions about engagement with the European Union. Some have criticised the Government's proposals, saying that they will necessarily stymie further progress or put the UK in the slow lane of Europe. The Government do not subscribe to that argument, for three reasons.

First, it is wrong to accept continuous political integration as a definition of progress. Secondly, although other European nations have different constitutional frameworks, a number of countries require a referendum of their people to be held if a treaty change proposes a further shift of powers to Brussels. Some, most notably Germany, also have provisions in place to ensure effective parliamentary control over specific key decisions taken by their Governments. There is a growing trend across Europe to give citizens and Parliaments more control over the decisions taken by their Governments on EU matters, and it is right that we should be not just part of that trend but leading it from the front.

Thirdly, if a future Government can demonstrate a compelling case as to why a further transfer of power is in the national interest, they should be able to persuade the British people of its merits. If a future Government were to take a different view from ours, they would have to convince the British people. Whatever the outcome of such an argument, our democracy would be all the healthier for the decision lying in the hands of the British people as a whole. That fulfils an important part of the Conservative manifesto, but it also draws on a line of thinking that has found its place in recent Liberal Democrat manifestos. I hope that Opposition Front Benchers will in time support it too, because when the voters cast a party out of government, it must understand why. The previous Government's high-handedness on EU matters is one reason why Labour is no longer in government, and it should now learn from that.

The Bill can receive support from those who like the EU just as it is, those who want it to do less, and those who want it to have more power but who are prepared to argue for that. The Bill does not determine the shape of our future place in the EU, but it ensures that our position will command the voters' consent. It will give the British people the assurance, which they are entitled to expect, that the sovereignty of Parliament and the ultimate right of the people themselves to decide which powers are the subject of collective decisions within Europe are both properly safeguarded. Those safeguards will put our participation in the EU on a sturdier and more democratic footing. That is why we present the Bill to the House.

5.36 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I beg to move an amendment, to leave out from "That" to the end of the Question and add:

"this House declines to give a second reading to the European Union Bill on the grounds that, while the principle of referendums on significant constitutional and monetary changes is appropriate, the Bill is a flawed measure which would confuse the important issues at stake and make vital constitutional issues justiciable by the courts rather than resolved under the sovereignty of Parliament."

The Foreign Secretary has been on a long and tortuous journey to get here today. The man who voted for the Maastricht treaty without a referendum and the former party leader who put Euroscepticism at the heart of his unsuccessful election campaign now finds himself in government with what he has described as

"the most fanatically federalist party in Britain."

The Foreign Secretary's diary engagement from last night rather sums things up for him, and I am sorry that he chose not to share it with the House. Last night, he went back to Smith square, to the old Conservative central office. From the windows where once Margaret Thatcher waved on election night now waves a blue flag with yellow stars. Where once sat Tory party researchers working on the Bruges speech, there are now French, German and Italian officials. He was invited for the opening and renaming of central office as Europe House. It cannot be easy for him. He is caught between the realities and the responsibilities of government and the rhetoric of Eurosceptic opposition. He is caught, as they say, between a rock and the hon. Member for Stone (Mr Cash).

Mr Hague: The record should also show that the room where I spoke last night was named the Churchill room by common agreement, and that I took the opportunity to remind all who were there of the need for EU institutions to bring down their budgetary aspirations just as the Government have had to do in this country.

Yvette Cooper: If only the Foreign Secretary's willingness to open EU buildings extended to opening a proper debate on European issues in the House. Clause 10 purports to increase Parliament's role before ministerial decisions are made, yet the truth is that the Government do the opposite. We have had no discussion of the European economy prior to the discussion between European Finance Ministers today, no discussion of practical measures to cut the European budget, such as reform of the common agricultural policy, and no discussion of working with Europe on human trafficking or the directive that the Government continue to opt out of.

This very morning, European Finance Ministers met to discuss the Irish support package and the European economy. In 10 days' time, decisions will be made on the crisis resolution measures that will affect the entire European economy—not just the eurozone—for many years to come. National leaders will discuss a treaty change to introduce that package, yet when is the debate in the British Parliament? We have no idea what British Government Ministers are proposing or asking for.

We should hold pre-Council debates in this Chamber. The economic and political pressures that Europe faces are serious. European growth is slowing, unemployment has increased and markets are putting pressure on several eurozone countries, all of which matters immensely to Britain, yet we have had no pre-Council debates. At the end of this year, there will have been four European Councils, but no debate.

Mr Redwood: The right hon. Lady is raising crucial issues. Does her party support the idea of Britain being part of more EU economic governance powers to help euroland, and does she think we ought to offer more financial assistance to other euroland countries in crisis?

Yvette Cooper: I think that the Government were right to provide support for Ireland, because the prospects for growth in Ireland will have a huge impact on our economy. That is also why it is important that the House debates the precise measures proposed as part of a permanent crisis resolution mechanism. The House does not know what those proposals are or what the Government are arguing for.

Mr Ellwood: Will the right hon. Lady provide some clarification, because her amendment does not make it clear where the Labour party stands on this issue? It supports referendums in principle, but it does not say when they would be held. When would a referendum be used on Europe? Will she also clarify whether it is still Labour's long-term ambition to introduce the euro and an EU defence force?

Yvette Cooper: As the hon. Gentleman will know, we have set out our belief that there should be referendums in cases of major constitutional change or currency issues, and I hope that he supported our decision not to let Britain enter the euro for the very good economic reasons that have proved to be right in practice.

The economic issues are very serious. Markets are still putting pressure on several eurozone countries. This matters immensely for Britain, because the Government are relying on an increase in British exports of £100 billion over the next few years to keep our economy growing, and we will not get that if our largest export market has gone into reverse. The EU does not have a serious strategy for growth and jobs, just as the British Government do not. The eurozone does not yet have a strong enough response to the pressure from financial markets, and a strategy of nothing but co-ordinated fiscal austerity in every country in Europe will not deliver growth, will not ultimately satisfy the financial markets and will be bad news for Britain. That is what we should be discussing now; that is what Ministers should be debating in Europe; that is what we should be discussing as part of a pre-European Council debate in the House. It makes a complete mockery of the Bill not to have those discussions in the House, and exposes the sham of the Secretary of State's approach to Europe.

Charlie Elphicke: The right hon. Lady has set out the many problems of euroland, so why has she committed her party to supporting further bail-outs there?

Yvette Cooper: The hon. Gentleman needs to recognise that Britain will not grow without sufficient growth in our exports, especially given the sheer scale of the cuts that his Government are introducing. Without a sufficient increase in domestic demand, we are reliant on increasing our exports. Where does he want those exports to go, if he also wants us to turn our backs on Europe and allow the Irish economy to face serious problems? That would put a drag on our own economy and prospects as well.

Ms Gisela Stuart: Will my right hon. Friend confirm that the use of article 352 of the treaty on the functioning of the European Union will not require an Act of Parliament, and that the current bail-out of Ireland, which is a pretty significant activity to which we are contributing as part of our EU obligations, is being done under that article?

Yvette Cooper: My hon. Friend makes an important point. It raises some of the unresolved questions coming out of the Bill and the interaction between the Bill and some of the crisis resolution mechanisms and proposed treaty changes. The Government simply have not answered those questions.

Mr MacShane: I am astonished that the Foreign Secretary of all people has thrown away this pre-European Council debate. I made my maiden speech in such a debate before people such as Ted Heath and Peter Shore. They are very important debates for our House of Commons, but the Government have thrown them in the dustbin because they cannot face the discussions needed. My right hon. Friend is right to keep emphasising this point, so will she commit us, when we form the next Government, to allowing a debate in Government time on Europe?

Yvette Cooper: My right hon. Friend is right: those debates are important. We could have had a pre-European Council discussion today, at the same time as European Finance Ministers are meeting and well in advance of national leaders meeting to discuss exactly these issues. Instead of talking about vital issues for the European economy, what are we doing? According to the Foreign Secretary, we are talking about referendums that he says we will not need and sovereignty that he says we already have—that is, referendums for powers that he says he will not even transfer, and sovereignty that he says will not change at all as a result of this Bill. Unnerving as I find it to be in agreement with the hon. Member for Clacton (Mr Carswell), I am afraid to say that he is right. This Bill is just smoke and mirrors to distract us from the fact that the Government have no strategy for Europe and no way of handling their own Eurosceptics.

Instead of having a serious debate about the future of Europe, the Foreign Secretary is pandering to the Eurosceptics, and it is the worst pandering of all, because it will not even work. All that it is doing is winding them up. This Bill is a complete dog's dinner and he knows it, yet the Eurosceptics are salivating nevertheless. The Bill tries to constrain parliamentary sovereignty on the one hand and protect parliamentary sovereignty on the other, using a referendum lock that does one thing and a sovereignty clause that does the opposite—a referendum lock that tries to bind future Parliaments and a sovereignty clause that makes it clear that the Government can do no such thing. It is all in the same Bill, which faces both ways at the same time.

The Government's press release on the sovereignty clause says:

> "The common law is already clear on this. Parliament is sovereign. EU law has effect in the UK because—and solely because—Parliament wills that it should. Parliament chose to pass the European Communities Act 1972. That was the act of a sovereign Parliament."

There is not much room for misunderstanding there. The statement then proclaims that

> "to put the matter beyond speculation,"

the Government will introduce the sovereignty clause. but whose speculation are we talking about? It is not the speculation of the hon. Member for Stone (Mr Cash), because his European Scrutiny Committee has said:

> "The evidence we received suggests that the legislative supremacy of Parliament is not currently under threat from EU law."

[Yvette Cooper]

The Committee continued:

"Clause 18 is not a sovereignty clause in the manner claimed by the Government, and the whole premise on which it has been included in the Bill is, in our view, exaggerated."

The only source of speculation that I could find was one speech by a barrister on behalf of a client in 2002 and a speech by the Prime Minister in 2009. The truth is that the Foreign Secretary has set up a straw man in order to shoot it down, because he will not give his party what it really wants, which is a referendum on withdrawing from the EU altogether.

Mr Jenkin: The right hon. Lady really does not know what she is talking about. Let me refer her to the Law Lords' judgment in the case of Jackson *v.* Attorney-General, in which Lord Steyn said:

"The judges created this principle"

that is, the principle of parliamentary sovereignty.

"If that is so, it is not unthinkable that circumstances could arise where the courts may have to qualify a principle established on a different hypothesis of constitutionalism."

Lord Hope said:

"Parliamentary sovereignty is no longer, if it ever was, absolute…Step by step, gradually but surely, the English principle of the absolute legislative sovereignty of Parliament which Dicey derived from Coke and Blackstone is being qualified."

There are therefore two Law Lords speculating about the future of parliamentary sovereignty. The right hon. Lady had better do some homework.

Yvette Cooper: I am afraid that the hon. Gentleman is not picking a fight with me; he is picking a fight with his Government, whom I quoted, and the European Scrutiny Committee, which I quoted. His disagreement is with them, but I hope that he agrees that clause 18 does nothing at all to change sovereignty. In fact, the hon. Member for Crawley (Henry Smith), who asked about a written constitution, got further than anybody else in raising the key question about sovereignty that the hon. Gentleman's Government are pretending to solve while, in fact, doing nothing of the sort.

Mr Cash: I simply make the point that our Committee report is utterly clear on that subject. What the right hon. Lady quoted is correct. However, her Government were as responsible as any for giving more and more judicial authority—ultimate authority—to the courts. Their main policy over many years could be characterised as handing over more and more powers to the judges at the expense of this House.

Yvette Cooper: I know that the hon. Gentleman has immense expertise on the details of the legal changes, but he and I have a long history of disagreeing over what is important in a particular case, and I suspect that we will continue to do so.

Chris Bryant: Is not one of the problems with the Bill the fact that it makes the decision on whether to hold a referendum justiciable, and therefore a matter to be decided by the courts, when it is surely a political decision for which elected Members of Parliament ought to take the rap at the ballot box if they get it wrong?

Yvette Cooper: My hon. Friend makes an important point. The Bill will create a lawyers' paradise because it is so confused and complex. Important issues will have to be decided by the courts as they try to interpret what the Government and Parliament meant, which could lead to decisions that override Parliament and delays to decisions that Parliament might want to make while those legal wrangles are taking place.

Charlie Elphicke: Speaking as a former lawyer, I find the Bill plain and obvious. If a future Government or bunch of politicians get together to cheat people out of a referendum, a little guy could come along and put a stop to that through the court system. That has to be right, in order to keep politicians to their promises.

Yvette Cooper: That little guy would have some serious questions about which cases could be taken to court, how long they would take to be dealt with, and what judgment the court would make.

The pledges on referendums are very confused. We agree that Europe should not be pursuing new treaties, major treaty changes or major transfers of power or competence, and we have long said that it is time for Europe to stop its institutional navel-gazing, but navel-gazing is exactly what the Bill proposes. It tries to pin down in legislation the detail of a whole series of changes that would, or would not, trigger a referendum, but it creates complete confusion as a result. It does not define the powers or competences that it wants to protect, and it does not explain what constitutes a significant change and what does not. It allows Ministers to make decisions in certain areas, but admits that that will be subject to judicial review.

As far as I could understand him, the Foreign Secretary said today that the extension of any competence—even a supporting one, and even in a very small or insignificant way—will require a referendum. However, new powers to impose requirements, obligations or sanctions on the UK, even if they would have far more impact on Britain than a small change to the competences, would not require a referendum if Ministers determined that the proposed changes failed their own significance test.

I am also completely baffled by the debate about the advocates-general, because schedule 1 clearly states that the matter would attract a referendum, but the Foreign Secretary said that it would not pass the significance test. As far as I could work out, as I fitted together what he was saying, we would not have a referendum on how many advocates-general there were to be, but we would have to have one on whom we were going to appoint.

This is a dog's dinner of a Bill. It is completely confused. Frankly, it makes the Maastricht treaty look like light reading. The Minister for Europe has said that he does not believe a referendum should be triggered for a treaty change on the allocation of carbon credits. He says that that is not significant, and he has a point. That matter should not merit a referendum, but how can he be sure that the courts will take the same view when interpreting this legislation? What about the treaty change that is due to be proposed at the European Council next week? That change would make it possible for Europe to create permanent bail-out mechanisms to deal with future financial crises in the eurozone. We have said that we have some concerns about the overall policy approach that Europe is taking. Nevertheless, the Government

have said that they support these changes, and we recognise the need to look at a treaty change in order to ensure that a permanent long-term response is in place. The Foreign Secretary seems to be hoping that this treaty change will not be covered by the Bill, but how can he be sure that the courts will take the same view? He is asking for trouble because the Bill is so contrived and complex. Lawyers will have a field day. He is contriving his Bill to avoid a treaty change that he has not yet negotiated, and contriving his treaty negotiations to avoid clashing with a Bill that he has not yet tested in Parliament or in the courts.

Furthermore, despite all the Foreign Secretary's contortions, he will not keep his Eurosceptic party happy anyway, as we have heard in interventions today. His Government have signed up to the EU investigation order. They were right to do so, and we welcomed the move, but his Back Benchers wanted a referendum on the matter. His Government supported the Van Rompuy taskforce on economic information, but many of his Back Benchers wanted a referendum on it. They want referendums on crime, on justice co-operation on the European arrest warrant, and on pulling out altogether. He cannot keep his Eurosceptics happy, so he is desperately trying to distract them with this Bill. He promised them red meat, but he is now offering them an omelette instead.

This is a Government of chaos and confusion, with the Eurosceptics on one side and, on the other, the president of the European Movement and the Energy Secretary, who has said about Europe that the

"Tories have jumped into bed with the wackos and the weirdos".

On this evidence, one could say the same of the Liberal Democrats. The Government can have unity without clarity, or clarity without unity, but they are clearly incapable of both. At a time when they should be working hard in Europe on the issues that matter—jobs, growth, trade, cross-border crime—they are collapsing back into navel-gazing and confusion and turning their backs on the opportunities and benefits that working in partnership can bring. This Bill is a mess, and they should go back to the drawing board and start again.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Many Back Benchers wish to contribute to the debate, and a 10-minute limit on speeches has been introduced.

5.56 pm

Mr John Redwood (Wokingham) (Con): This Bill is born of a very serious mood in our country. A majority of people in Britain feel that a great amount of power has already passed to the European Union over the past 20 years, and they feel that powers are still drifting away under this new Government. They would like to see that progress arrested, and they would like to see powers brought back in certain crucial areas. They would like to feel that more of their lives were under democratic, accountable government here in Westminster than under the less accountable, less democratic government of the European Union. The Government would be wise to heed the seriousness of that view among many in this Parliament, representing many outside it.

I welcome the Foreign Secretary's noble aim. He says that the aim of his legislation and policy is to give us all a greater sense of empowerment when it comes to matters of European governance and action. I would urge him to look again at his Bill, however. It is certainly cleverly contrived, and it is certainly contrived in a great deal of detail, but it is, in practice, the not-the-referendum Bill. On every area of competence and power that we see drifting away or being transferred from us as we have this debate, we are told, "That would not qualify for a referendum under this legislation."

I believe that the Foreign Secretary has taken legal advice, and he wants to have a referendum on the transfer of competences rather than on the transfer of powers. I would suggest that that is a tad too clever. We all know that most of the competences have already gone. That was what Lisbon was all about. That was why he and I fought tooth and nail, together, against that treaty and in favour of a referendum on the treaty. Most of the things that the Government now wish to do are a shared competence with the European Union. What matters is not a further transfer of competence, but a further grab or transfer of power by the European authorities.

When the Conservatives were in office, we made it very clear that we wanted trading relationships and friendships, and a certain amount of common legislating in single market and related areas, but not a common Government or political union. To reflect that, the architecture that we persuaded the partners to accept had the third pillar areas of foreign affairs and home affairs, which were matters for independent sovereign states to decide, and we always preserved the veto on any common action. That has now been eroded. So, as we meet to debate the so-called referendum lock, we see powers on home affairs being surrendered, issue by issue, by this Government—as they were by the previous Government—which will result in a much more common criminal jurisdiction from the European level. The British people need a voice on that matter; they need to be asked about it. Some of them might even agree with it, but they want to be treated seriously, as grown-ups, and asked if that is how they want their country to be run in the future.

On foreign affairs, we are being told as we meet that we still have a veto on the big issues and that my right hon. Friend the Foreign Secretary can play his part in shaping a common European action and diplomatic strategy. At the very same time as we have to cut severely the growth rate of our public spending and make some deep cuts in certain areas, which we do not like, we see the European budget going up rapidly, partly to finance a big expansion in the European diplomatic service. This is not being done in order to have holidays in the sun, as some national newspapers seem to suggest, but because the EU wishes to exercise power and authority on our behalf and on behalf of other member states.

Mr Jenkin: I do not think that the Foreign Office has fully understood the consequences of encouraging this to go ahead, which is what it did. I am afraid that a great many of us voted for it in this House. The European External Action Service is ordering much more expensive cars, is to have grander embassies and is to pay much higher salaries than our own diplomatic service. That

[Mr Jenkin]

will be to the detriment of our diplomatic service because it will attract the talent away from our service and towards the European External Action Service.

Mr Redwood: It means that when a British Foreign Secretary makes foreign visits, he or she will be kept waiting while the EU ambassador is received and considered, because the latter will speak with more authority on behalf of more people and more states.

It is the third area that we have always reserved for national veto and national competence—central economic policy making—to which I shall address the remainder of my brief remarks in this truncated debate. Literally as we meet here this afternoon, crucial and massive issues are being hammered out in secret around the Council table in Brussels. Quite likely to be on the agenda is the issue of European sovereign bonds and the effective creation of a European sovereign in financial matters that issues debt and guarantees debt on behalf of member states. Do we want that? Are we in it? Is it not a transfer of power if we go along with it? Is it not an issue on which we should be invited to express our views?

Another item on the agenda may be the future membership of the euro. The Council could be considering in secret whether all member states are able to stay in the euro and whether the strong or the weak members should leave. If they are to keep the euro area together, what will be the arrangements for the large transfer payments that need to be made if the single currency is to have some hope of a decent life in the future, as all successful single currency areas have much bigger transfers of tax revenues, subsidies and money around them than the euro area currently has?

Mr Cash: My right hon. Friend portrays so accurately the realities that lie behind this Bill, which is about the economic crisis in Europe as well as many other matters. Does he agree that one serious current problem is the financial stability mechanisms and that if we do not assert our rights in this House and make certain that the courts cannot get their hands on an interpretation that would go the other way, we could end up paying for other countries beyond Ireland—Portugal, Spain and others?

Mr Redwood: My hon. Friend is absolutely right, which is why the transfer of power, if not of competence, is such a crucial issue and why we need to engage in a public debate at this very moment about how far this should go.

I hasten to stress to the House—particularly to my critics, who like to misconstrue what I say—that I wish our partners every success and prosperity with their single currency. I know that if that is the way they choose to run their economies, it is in our interests for it to work. We want them to be happier and more prosperous, and we like to benefit from trading with them, just as they like selling us a lot of their products. My worry is that in the process of our enthusiasm for that, we will draw in Britain—with her rather stretched budgets, even after the changes that the Government have rightly and wisely made—at a time when we do not have the financial strength to go to the aid of all these other euroland countries that are in some difficulty under the euro scheme.

I am a critic of the Irish loan. Of course I do not want to see the Irish economy go down, but I do not happen to think that lending the country lots of money at that juncture, as a result of a crisis deliberately created by the European Central Bank, was a terribly good way to behave. I do not believe that if Britain had declined to make some money available, the Irish loan would not have been negotiated. It would have been negotiated quite successfully by the architects of it—the powers behind the European Central Bank, who literally decided to withdraw funds from the Irish banks at a difficult time and made that decision public, thereby precipitating the crisis. We were engaged in a refinancing package for the European Central Bank. I think we should be told the truth; we should be told why it was a good idea for a country that rightly stayed out of the euro because it did not want the financial risk and hassle, to be drawn into helping finance the consequences of an ill-judged currency without a political union.

A successful currency needs a sovereign to love it and support it. That is why the sovereign's face traditionally appears on the coinage and why there has to be a symbol to show that the whole weight of legal and economic authority stands behind a currency. If Europe is to have a successful euro, she needs a sovereign. I do not want my country to be part of the euro, and I think that around 80% of the British people agree with me. I think that even Opposition Members temporarily agree with me on this issue; they are not rushing to say that now is a good time to join the euro. We should be open and honest with the British people and say, "We wish the euro well." We are doing it a great favour by not trying to join it—we would have been an over-mighty subject in it, which might even had led to its toppling earlier—and we are not currently in a financial position to make all the transfer payments available that are necessary for full members of a single currency area.

The House needs to understand that while we are debating some abstruse language and pledging this and future Governments to hold a referendum on treaties unknown about competences unspecified, a potentially massive transfer of power is under way yet again from the member states to the centre. There has to be; the thing cannot work without more central power behind the banks and the economic institutions.

The British Government say that they will accept a treaty extending the centralising powers in the economic sphere because the penalties on these will not apply to the UK Government. Well, I am delighted that the penalties will not apply, but I see no reason why the requirements should apply either, because we are not part of the euro. We should offer our support for a strengthening of economic governance for the euro area alone and make it clear that all the regulations and the directives apply only to that area. I think that my right hon. Friend the Foreign Secretary got it wrong when he said that none of those applies to Britain; several of them do, although without the ultimate penalties. There could be other penalties, incidentally, which might apply to Britain.

When we surrender our veto and allow this treaty to go through on that condition—that it applies only to euroland—we should say that we want something back.

We should seek to establish that we believe the European Union already has too much power and that we want something back. Do we want our fisheries back; do we want control over our borders back; do we want control over elements of taxation that have already gone to Europe through common taxation and a series of court judgments?

Power is seeping away as we meet. A massive debate is under way. Will the Government please take this Parliament and the British people into their confidence? Will they take us seriously? Will they give us an adult debate on the reality rather than this show Bill?

6.08 pm

Kate Hoey (Vauxhall) (Lab): I have to say that there is little in the speech of the right hon. Member for Wokingham (Mr Redwood) with which I would disagree. That immediately places me, of course, very much in a minority in my own party. I do not think that either of us is in a minority in the country, however. Many people watching our debate today will be wondering how on earth we ever got here. They will wonder why we are trying to introduce a Bill that is literally tinkering around with the real and fundamental problems of our membership of the European Union.

It is with great regret that I have to say that my party betrayed the promise it had made on the Lisbon treaty. If it had granted the referendum on that treaty, we would not be here discussing this Bill. One reason why my party and others did not want that referendum is that they knew the result would have been a defeat. In other words, we would not have signed up to the Lisbon treaty; it would not have happened.

Mr Jenkin: Will the hon. Lady forgive me for pointing out that if we had had the referendum on the Maastricht treaty, it is most unlikely that the European Union would be in the mess that it is in today?

Kate Hoey: I was new into Parliament shortly before the Maastricht treaty and I lost my position as the shadow spokesperson on the citizen's charter and women because I voted against that treaty. I am therefore well aware of the issues. I was obviously in a minority then in my party, even though prior to that we had been quite sceptical on Europe.

I give the coalition Government some credit, because I know that they are facing great difficulties. The Conservatives said fine words before the election about how they were going to get more powers back and not allow any more powers to go. Unfortunately, perhaps because of the coalition, but also because of other pressures, most of that has not been complied with. The Government have therefore come up with this Bill, which seeks to show the country that there is still support within the coalition for getting some powers back. As my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) has said, the Bill is unfortunately a minefield that lawyers will absolutely love.

The Bill misses the whole point. Some people continue to say that we should not even discuss whether we should leave the European Union, whether we should have that debate in the country and whether we should have a referendum. They have yet to prove to me—I have studied this very carefully—just how having that debate, having that referendum and voting to leave the European Union would be a disaster for this country. No cost-benefit analysis has ever been carried out on that. No Government have undertaken a proper cost-benefit analysis of the benefits to this country of being in the European Union. Although other countries, such as Switzerland, have carried out such analysis, every time it has been suggested here, it has been brushed away by the elite in Europe and in this country, who say that the net gains of membership are so obvious that there is no need even to think of quantifying them. That is increasingly becoming not true and the public are beginning not to believe it.

I am not a reader of the *Daily Express*, but its campaign, which has shown huge support for a discussion and debate on the European Union, is very much to be welcomed. Recent developments have made all of us who have doubts about this country's involvement in the European Union queasy, because the United Kingdom's membership of the EU is incredibly expensive for us and the benefits are becoming increasingly difficult to see. We do not need, again, to go into the cost of our net budget contribution, the increase that is going to take place and how it will be spent. Nobody wants to let the public know just how our money is spent. They are not told about the huge costs of the European External Action Service. From now on, our ambassadors will become less important than this European Union ambassador and it is shocking that we have allowed that to go ahead. I cannot understand why the new Government have done so, apart from the fact that they are a coalition.

However, I still wonder whether a Conservative Government with a proper majority would really have done all the things that they said they would. Once someone goes to Europe and gets involved in it, they somehow start almost to be part of it. They start to make up the discussions and the arguments, and somehow their attitudes change. The Minister for Europe used to say some brilliant things about Europe that I agreed with, but now that he is on the Front Bench, his words have changed slightly and become slightly nuanced. We get the feeling that once people have been going to Brussels over and over again, they change their attitude.

I am concerned that the Bill does not go far enough. I am not going to vote for the Labour amendment, which is a cop-out and a nothing amendment—it does not say anything. It does not bring to people's attention all the opportunities that we missed when we were in government. I still have not decided whether I will abstain or vote for a Bill that we might be able to amend. I want this Bill to be used as the opportunity for people in the country to start being listened to. I want them to start having the opportunity to engage in the debate about why they feel so strongly that our membership is not giving us anything that is worth the money that we pay in.

Charlie Elphicke: Although many of us, myself included, would like to head into reverse and one day have that wider question determined, does the hon. Lady not accept that it is a positive move that this Bill provides a brake to stop us hurtling further forward without having a say?

Kate Hoey: I would accept that, except that even since the new coalition Government took office, this country has given away some more powers and given up things.

[Kate Hoey]

We are already going to support directives that we should not possibly be supporting. It is the drip-drip-drip nature of the European Union that really gets me.

Austin Mitchell (Great Grimsby) (Lab): Does my hon. Friend agree that this is really closing the stable door after not only the horse has bolted, but the stable has caught fire?

Kate Hoey: That is my point, and my hon. Friend is absolutely right. We will never get the issue that is big enough for a Minister to say, "We are going to have a referendum on this." Ministers will find some excuse not to do so, which is why the only honest thing is to work towards having a debate in the country and a referendum on whether we want to stay in the European Union. We hear all those Members, Ministers and shadow Ministers continually saying, "Ah, but it would be desperate. We could not possibly leave. We couldn't even think about it." They should put their arguments to the people. Let the people decide. Let them say what they really think and let us see what that decision would be.

There is one little book that every Member in this House should buy. If the Foreign Secretary, the shadow Foreign Secretary and the shadow Ministers have not read it, I will give them a copy. It is called "Ten Years On: Britain Without The European Union". I wish it had said "the United Kingdom", rather than "Britain", as that would not have left out Northern Ireland. This brilliant book actually says, "If we were to leave the European Union, this is what this country would look like 10 years on." Let us have the confidence to say to the people that it is time that we have that real debate. Let those people who are confident that the European Union is the right thing for this country put it to the people and give them the say.

6.18 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to follow the hon. Member for Vauxhall (Kate Hoey) and the right hon. Member for Wokingham (Mr Redwood), not only because they made excellent contributions, but because they give me the opportunity to be a loyalist by contrast.

This welcome and important Bill follows last week's award to the Prime Minister and the Deputy Prime Minister from *European Voice* for their joint work in advancing a more progressive and European-style of Government—I know that all on the Government Benches will be celebrating that. The Bill is a fine example of a coalition product: it is a sensible compromise. For too long, the UK has allowed domestic political posturing over the European project to dominate its thinking on the EU. Such an approach has fundamentally undermined our ability to play the positive agenda-setting role on the European stage that we can and should do. It would be great to be in the driving seat of Europe, okay to be in the passenger seat and passable to be in the back seat, but for the past 20 years or so Britain has, in effect, locked itself in the boot, kicking and whingeing as if it were somebody else's fault.

Mr Douglas Carswell (Clacton) (Con): Then get out of it.

Tim Farron: That is an honest position at least, which my hon. Friend sets out from a sedentary position. It is vital that we assert our sovereignty in Europe, but it is also vital to understand that one of the reasons why we have seen our sovereignty wane is our pig-headed failure to embrace the EU and take a positive role in shaping its future. It is high time that we moved on from dismal EU constitutional wrangling and focused instead on the issues that really matter.

Mike Gapes (Ilford South) (Lab/Co-op): How does the hon. Gentleman think we can move on from dismal constitutional wrangling if we allow judicial reviews of all such issues?

Tim Farron: Every act of legislation creates a possibility of further litigation. That is the nature of what we do. The hon. Gentleman raises an important issue, and if this Bill becomes an Act it will deal with many of the uncertainties and genuine concerns raised by my hon. Friends from a different party about our position in the European Union and the legitimacy of the decisions that are taken. The power should ultimately rest in this place and—even more ultimately—with the British people.

Mr Redwood *rose—*

Mr MacShane *rose—*

Tim Farron: I had better be fair and give way to my right hon. Friend the Member for Wokingham (Mr Redwood). Then, I think, I will have no more opportunities to give way.

Mr Redwood: Will my hon. Friend explain why we had 13 years of a pro-European Government who said we were at the heart of Europe when we were still in the boot?

Tim Farron: My right hon. Friend makes a very good point. The reality is that for 13 years we had a Government who said they were pro-Europe but never went on the front foot and defended that position. There are all sorts of reasons to defend our position in the European Union and say that this country's interests are best placed if we are inside the EU. However, because of the national mood and if we were to have a referendum today on in or out, there is a very good chance that—

Thomas Docherty (Dunfermline and West Fife) (Lab): Will the hon. Gentleman give way?

Tim Farron: I do not think I am permitted to take more than two interventions.

There is such Eurosceptic hostility to the European Union that the last Government took the view that to attach themselves to the EU would mean seeing their popularity sink. They should have gone on the front foot; perhaps we would be in a different position if they had.

The UK and other member states face many major challenges, such as delivering economic growth, completing the single market, delivering new free trade agreements,

cracking down on cross-border crime, combating climate change and fighting global poverty. The Bill should finally place to rest the concerns about the lack of democratic safeguards over big EU decisions. It will ensure that future big decisions about Britain's place in Europe are taken out of the hands of the governing elite of the day and placed firmly in the hands of the British public and, on their behalf, this Parliament.

The Bill is a fine example of what coalition politics produces—a document delivered by two parties, working together despite their differing traditional outlooks on the EU.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Will the hon. Gentleman give way?

Tim Farron: I will not. I am permitted to take only two interventions without losing time and I want to ensure that I give people a chance to speak.

Despite our differing traditional outlooks on the EU, the coalition has come together, found common ground and drawn a line—obviously—under the European constitutional question once and for all, we hope, by ensuring that the public and Parliament have the final say on the big questions that will determine how UK and EU relations evolve. The Bill should also give the British public a new sense of ownership, enshrined in law, over the future evolution of UK relations with the European Union.

The Liberal Democrats are unashamedly a pro-European party. We fundamentally believe that British national interests are best served by playing an active and leading role in the European Union. We are also fundamentally a democratic party and one that believes in devolving power to the lowest level possible and in reconnecting the public to politics through democratic reform. We recognise that the experience of rapid EU integration over the past two decades, although it has been necessary and ultimately beneficial to the UK, has left many members of the British people feeling sceptical about and disconnected from the decisions made in their name at an EU level, most recently with the Lisbon treaty.

This is why the Bill is so important. Its main purpose is to reconnect the British public with EU-level decisions and to reassert parliamentary controls over those key decisions. The Bill should help to give the British public a new sense of ownership over the UK's relationship with the EU in the future and it provides the British public with the legal guarantees that they, not the Government or Parliament, will have the ultimate say in future decisions about the UK's level of involvement in the EU.

Now is the time for the EU to focus on delivering solutions to the huge challenges that face all member states rather than looking inward. The Bill is in keeping with a number of innovations in the Lisbon treaty that seek to provide national Parliaments and European citizens with a greater say over EU decisions and the direction of the European project. I say that as a member of my party who voted with my now coalition colleagues in favour of a referendum on the Lisbon treaty. If we had had a referendum, I would have argued in favour of that treaty.

The UK is not alone in recognising that the pace of EU integration has left a dangerous lack of understanding about the connection between the EU institutions, national Parliaments and their citizens. In fact, that was recognised by all EU member states in the Council, by members of the Commission and by Members of the European Parliament long before the Bill was conceived. Indeed, that concern was translated into concrete measures in the Lisbon treaty. The treaty has gone a long way towards creating new connections and controls between the public and national Parliaments in the EU, which I warmly welcome. It is too early to see how they will work but the direction in which the EU—and now the UK—is moving is clear.

Let me give some examples of Lisbon treaty democratic and parliamentary control innovations. The European citizens' initiative enables a petition of more than 1 million European citizens from across the member states to trigger a legislative proposal from the Commission and is a unique and groundbreaking innovation expressly designed to develop connections between European citizens and the often seemingly alien EU institutions. The new yellow and orange card system enables one third of national Parliaments, via the scrutiny Committees in the UK, to object to an EU proposal if they feel that it breaches the principle of subsidiarity, requiring the Commission either to reconsider the proposal or to force the Council and the European Parliament to come to a decision whether to scrap the proposal or to amend it. Also, the new emergency brake clauses in the treaty enable any single national Parliament to block a proposal if it considers the proposal in question to breach or contravene a fundamental component of the legal framework, such as criminal justice.

The Bill can in part be seen as a logical extension of the work of the Lisbon treaty in reconnecting the public and Parliament to EU decisions and its institutions, but our sincere hope and intention in supporting the Bill is that it will finally help to restore some sanity and pragmatism to the debate in UK politics about the EU and EU proposals. There is an extremely poor level of debate in the UK about the EU and the Bill should help to improve that. With a more transparent approach to our membership of the EU, some of the clouds of Eurosceptic mythology might begin to lift. For instance, the use of passerelle clauses will trigger Acts of Parliament and that will mean a rare and welcome opportunity to have an informed domestic debate about substantive EU proposals, giving Members of both Houses the chance to discuss the respective pros and cons of a particular EU measure for the UK.

For example, should the Bill become law, one passerelle that would trigger primary legislation would be that on establishing an efficient and fully functioning EU patent system. A proper patent system has been at the top of UK businesses', innovators' and scientists' wish lists for decades and we believe that it is fundamentally in the interests of the UK. We look forward to discussing that groundbreaking proposal in more detail if and when primary legislation is introduced in the near future as a result of the Bill. Such issues will be discussed more often in this House and the voices of reason in this place will be forced to go on the front foot and to sell the benefits of EU membership and integration to the British public.

[Tim Farron]

The Government have chosen to engage positively with Europe and to tackle the largest single block that leads to discontent about the EU among the British public, which is the sense that decisions taken at EU level are remote, unaccountable and beyond our control. Liberal Democrats believe that the UK's national interests have been and will continue to be served best by our membership of the European Union. The major challenges that face us cannot be solved by UK action alone. They often require international action through the European Union. Our relationship with the EU, however, from the point of view of the media and much of the public, is pretty poisonous. For a sane Government who seek to advance Britain's best interests, this is a hugely challenging position. Surely the challenge is too big for legislation alone to fix it.

There is a growing fear that unless something radical is done, the views of the British public and the politicians on the EU will continue slowly to drift on a tide of Eurosceptic media stories to a point at which this country will ultimately leave the EU altogether. I know that many of my colleagues on the Government Benches would favour that, but in my view it would be an absolute disaster for the United Kingdom. I would be interested to hear from the Minister what other plans the Government have beyond our Bill, in line with their commitment to play a strong, positive and active role in the EU, to start a new dialogue with the British public calmly and rationally to explain and sell the benefits of EU membership.

There are many questions to answer, but the Bill's crucial task is to democratise and make transparent and trustworthy all our dealings with the European Union and to do so in a way that is pragmatic and positive for our immensely valuable relationships with our EU partners. For what it is worth, I think the coalition has succeeded in meeting those challenges and I look forward to continuing this formalised outbreak of accountability and reason towards our membership of the European Union.

6.30 pm

Chris Bryant (Rhondda) (Lab): It is a great delight to follow the hon. Member for Westmorland and Lonsdale (Tim Farron), who is a man of great integrity. I am sure that his integrity will see him through all the way to Thursday afternoon. He is absolutely right to say it is essential to British interests that we play a key role in the European Union, but the Bill will do nothing to assuage Euroscepticism; if anything, it is intended to enhance and inflame it. He said that the Bill is a coalition product as though that places some kind of trade mark on it. I look forward to the trade mark being planted on all coalition products, as it would automatically bring them into disrepute with most Conservative Members.

The hon. Gentleman referred to our having locked ourselves in the boot of a car with regard to Europe in recent years. It is very difficult to lock oneself in the boot of a car, but I think the Liberal Democrats feel a little as though they have managed to do that at the moment—or at least that they are being locked in the boot by the Deputy Prime Minister in relation to other Government measures.

I shall let the House into a very small secret: I am slightly pro-European. Indeed, I am almost ludicrously pro-European for the very strong reason that in my lifetime Europe has embraced countries that have lived under dictatorships in Spain, Portugal, Greece and across the whole eastern bloc. In those countries, there was no right to freedom of association or freedom of speech, the death penalty was used ubiquitously and there was political repression. In future, we will all recognise that one of the European Union's greatest successes is the fact that in all those countries there has been an aspiration for political freedom largely because of the EU's success.

Charlie Elphicke: I thought that the achievements in the countries the hon. Gentleman mentions were those of Margaret Thatcher, Great Britain and the United States.

Chris Bryant: I do not think Margaret Thatcher had anything to do with the advance of freedom in Spain, Portugal or Greece. Mrs Thatcher achieved many things—in the Rhondda we are certainly aware of, and resent, many of them—but the hon. Gentleman cannot claim that the advance of freedom was because of her, except that she was pro-European; in that regard, she did do something in the interests of the whole of Europe.

My problem with the Bill is that it does not do what it says on the tin. It is not an effective referendum lock, which was the promise. Two or three hon. Members have already made the point, in questioning the Foreign Secretary, that the House has perfect freedom to amend these measures in future, so if a Minister wanted to advance legislation implementing some change in the relationship between the United Kingdom and the EU, and if they thought it would offend against the measures in this Bill, they would have only to add a clause saying that the measures in this Bill did not apply. Of course they would have to take that change through both Houses, so there is an element of a brake, but the Bill is in no sense a substantial referendum lock.

Jacob Rees-Mogg (North East Somerset) (Con): Is it not true of every piece of legislation that it can be repealed later? There is a political cost in repealing legislation that makes this a lock.

Chris Bryant: It is true that every piece of legislation can be repealed or sidestepped, and there may be a political cost in doing so. In a few weeks' time, when a number of extra peers have been added, the Government will have a majority not only in this House but, uniquely since the second world war, in the other House as well, so there will be a further slowing down. The Bill provides not a lock but a brake—that is all. It does not do what hon. Members want, which is to draw a line regarding all further innovations in the relationship between the UK and the EU.

The Bill will not deal with the real problem. The right hon. Member for Wokingham (Mr Redwood) and my hon. Friend the Member for Vauxhall (Kate Hoey) are right that my views on the EU are those of a minority. I know that partly because my father sends me an e-mail every Sunday to remind me of that fact and also to remind me that he moved to Alderney primarily so that he does not have to abide by any EU laws. He also regurgitates vast quantities of things that I hear regularly from hon. Members. I think it is a great embarrassment to him that I was not only the Minister for Europe but the Labour Minister for Europe.

The problem in Europe with those whom others have referred to as the elite and with ordinary members of the public is that there are real difficulties in advancing the European cause because there is no single European demos or political opinion. The waves of views crash upon the electoral shores in different parts of the EU at different times and it is very rare for two meetings in a row of the General Affairs and External Relations Council to include the same set of Ministers. Consequently, it is a phenomenal triumph to achieve any European co-ordination.

Some of the EU's founding principles—indeed, the economic ones—are very powerful, such as the right to freedom of movement and to work anywhere in the EU. In the UK, Labour brought in civil partnerships—I have benefited from those changes this year—and other EU countries have introduced other ways of recognising same-sex unions. Many of us believe there ought to be a system for recognising those unions in every other country in Europe; otherwise there will clearly be discrimination against people whose partnership cannot be recognised for the purposes of taxation, benefits and the right to freedom of movement around the EU. I do not want Europe to decide the law on marriage in any European country, but I do want it to be able to enforce the basic principle of freedom of movement, and that will require a shift so that civil partnerships in this country, or same-sex marriages in Spain, can be recognised in every other country. Otherwise, married same-sex Spanish couples who move to France will have to divorce and form a new civil partnership there. The seeds that have been sown in the underlying principles of the EU will not go away. The British people who live in Spain and demand that Europe should act on property rights in Spain are arguing for an extension of the EU's powers although many of them are profoundly Eurosceptic.

I am not a fan of referendums, because I believe in representative democracy. I believe that we are elected to come here and that the sovereignty of Parliament is the important principle on which we should act.

Henry Smith: Was the hon. Gentleman in favour of the referendum on the Welsh Assembly?

Chris Bryant: I have not been in favour of referendums at all and I have made this argument for many years. I was opposed to the suggestion that there should be one on the constitutional treaty and I said so in the House, for which *The Sun* and various other newspapers condemned me extensively. On the whole, I am not in favour of referendums, but there are times when the political class decides to navigate around Parliament and find some other means of implementing things. I think we were right to insist, after the second world war when we effectively rewrote the German constitution, that Germany should not be able to hold plebiscites because unfortunate circumstances can sometimes arise.

I am not a fan of referendums. Particularly in relation to treaty-making, they are unfortunate because they make it far more difficult for a Government to have the freedom to negotiate that they need. Of course there must be proper parliamentary scrutiny of that process. Notwithstanding the splendid work of the hon. Member for Stone (Mr Cash), I think the House still does European scrutiny very poorly because far too few Members want to take an active, engaged role in that process, much of which comes not from the Foreign Office but from every other Department of Government. It does not give a Government a strong hand to insist that there will regularly be referendums.

I believe the Government want to be able to repatriate some powers from the European Union to the United Kingdom. The process outlined in the Bill makes it almost impossible for them to be able to do so in the next five years. Other Governments will say, "You've already said you're not going to have any treaties because you reckon that you won't get a yes vote for any referendum." That is why the Bill binds the hands of the Government.

On clause 18, the sovereignty clause, the European Scrutiny Committee has done a good job. It is right that, as the Committee points out, the clause adds nothing to the present situation. Lord Justice Laws, in the Thoburn case in 2002, was right when he said that

"there is nothing in the ECA"

the European Communities Act—

"which allows the Court of Justice, or any other institutions of the EU, to touch or qualify the conditions of Parliament's legislative supremacy in the United Kingdom. Not because the legislature chose not to allow it; because by our law it could not allow it. That being so, the legislative and judicial institutions of the EU cannot intrude upon those conditions. The British Parliament has not the authority to authorise any such thing. Being sovereign, it cannot abandon its sovereignty."

Lord Justice Laws was absolutely right. That is why the clause is dangerous. It applies only to European law, but large numbers of the elements that affect our relationship with the EU are laws that come from other parts of Government. That is why in his evidence Professor Tomkins was right to urge the House of Commons not to proceed in this way in the Bill.

The whole Bill is, in the words of Shakespeare, "zed", an "unnecessary letter". It misses the need that exists out there to engage positively with Europe.

6.42 pm

Mr William Cash (Stone) (Con): People have fought and died over many centuries over the need to affirm parliamentary sovereignty—in the civil war and at the time of the defeat of the Stuarts in the 17th century, when the Stuarts' absolute sovereignty was literally killed off. Since the advent of modern democracy in 1867, people have fought and died in two world wars to preserve the right to govern themselves through their own Parliament by freedom of choice in the ballot box.

The European Union claims sovereignty over our democratic Parliament, and this mouse of a Bill does little to preserve it. Given the present European crisis with the euro, as my right hon. Friend the Member for Wokingham (Mr Redwood) so accurately pointed out, and given the failure of economic governance in which we are absorbed and the coalition Government's continuing acquiescence in European integration and their refusal to repatriate powers, the Bill does little or nothing to improve the situation.

The European Scrutiny Committee reported last night, to an eerie silence from the BBC, and as we clearly indicated, the Committee's report is essential reading for those who really want to know what is going on. There are grave objections to the principle, the methodology, the distorting and misleading explanatory notes that accompany the Bill, and clause 18 itself. Clause 18 is a

[Mr William Cash]

judicial Trojan horse leaping out of Pandora's box. It is not, as the Foreign Secretary claimed, an enlightened act of national self-interest.

Parliamentary sovereignty is not built on a common law principle, as the Government claim. It is built on the sturdy foundations of the freedom of choice of the voters of this country, and not the whimsy or the Euro-integrationism of some Supreme Court judges. They increasingly claim that they are upholding the rule of law, but I have to ask which rule and whose law.

Shortly before he died last year, Lord Bingham, the late Lord Chief Justice, in his book "The Rule of Law" took on three fellow members of the Supreme Court who had previously adjudicated on the Jackson case with him in the House of Lords a few years ago as to their views on parliamentary sovereignty, as set out in our report. This is an extremely unusual situation and was greatly merited. I do not impugn their motives, but I criticise their judgment.

Only a couple of months ago, Professor Drewry of London university stated in a lecture that

"one can perhaps detect in the recent pattern of House of Lords and Supreme Court decisions, an appetite on the part of the Justices—encouraged by some continuing developments in EU and human rights law—to begin to get to grips with constitutional issues that previous generations of judges would have regarded as completely off limits."

In this context, judicial activism is on the march. It has been there for a long time and it is increasing its tempo. The judges are not toying with all this, as was suggested by one witness. I suggest that Members read not only our report, but the articles, many of them written by these judges, and the speeches, for example, of Lord Steyn and Lord Hope, and many others that are quoted in our report.

The Bill, as Professor Adam Tomkins said in evidence, and as I mentioned in an intervention on the Foreign Secretary, is an invitation to litigation and, I would say, deliberately so. It has been left in a dead letter box in the precincts of the Supreme Court across Parliament square.

Clause 18 is not a proper sovereignty clause, when it could have been what was promised in our manifesto. Last night the Minister for Europe said that the Bill

"delivers on what was in the coalition programme simply as an agreement to consider the case for a sovereignty Bill",

and that the Bill—that is, a sovereignty Bill—

"is being introduced by the means of clause 18".

I am bound to say that it is not that at all. It is even dangerous.

Thomas Docherty: As the hon. Gentleman says, this is a mouse of a Bill. Does he agree that what we need is genuine reform of the European Union so that it delivers what it should be concentrating on, and that sovereignty should remain in Parliament and not be passed across to shyster lawyers arguing the case in the Supreme Court?

Mr Cash: I strongly agree with that sentiment. Indeed, I go further and say that I have always argued for an association of nation states based primarily on trading and political co-operation. Above all else, we must ensure that we make those decisions in the House on behalf of the electorate. Where we find it impossible to make those decisions, it is increasingly argued that it should be done by referendum, when we abdicate the power in the House to the people as a whole.

Clause 18 defies the sovereignty clauses on which the shadow Cabinet, the Whips and Back Benchers voted on several occasions before the general election, using my "notwithstanding" formula. Our report, based on clear evidence from constitutional experts, upholds both the principle and the wording of the "notwithstanding" formula, which I proposed in amendments to the Legislative and Regulatory Reform Bill when we were in opposition. The Whips even asked me to put in their own tellers. As I said to the Minister for Europe last night, he too voted for those provisions. Why not now, therefore, and in the Bill?

We have no hope of resolving the effect and implications of the European crisis on our country, or of reducing by deregulation the impact of European laws on our businesses, including our small businesses, and our deficit, if we do not remove the overall burden of the 50% of economic regulation now on our own statute book, according the House of Commons Library on 13 October.

Mr Jenkin: Is not the real question, which those on the Government Front Bench must answer, why they will not put a declaratory clause, notwithstanding the European Communities Act, into the Bill. Are they saying that that itself would put us in breach of the European treaties? I submit that it would not. Should not they accept that by putting a "notwithstanding" clause into clause 18, they would, notwithstanding the European Communities Act, be reaffirming the supremacy of the House, which is long overdue?

Mr Cash: I agree, and the evidence that we received indicates that the courts would have to accept that..

We are a parliamentary democracy, not a judicial autocracy. The common law principle, wrongly asserted as the basis for parliamentary sovereignty by the Government in their explanatory notes, gives the courts the interpretative means to walk through the gateway of our constitutional law into their application of EU law, including even the assertions of the European Court of Justice over our own Parliament and our own constitution, as well as our own laws.

Our report repudiates the means whereby the courts could gain, and some of them want to be the ultimate authority in the land. We were against Lisbon and for a referendum as a party. We can veto any treaty in future if we wish to do so, so why not do so? The Bill makes no provision for our current predicament, and provides only relative safeguards for the future, subject to the baleful influence of a Minister's decision as to whether a referendum would be required or not. One issue has been described by our witnesses as both dangerous and unnecessary, namely clause 18 in the context of the Bill as a whole.

This debate is about trust—the trust that the British people for centuries have granted to their elected representatives to do what is right by them and uphold the democracy for which people fought and died. The Bill betrays that trust by doing nothing to unwind the effects of failed European integration and its impact on

us, and does little or nothing to provide security for the future as Europe flounders around in ever-decreasing circles and chaos.

The Bill is an opportunity missed to stop the acquiescence in the failed European integration at every turn, as I put it to the Prime Minister a few days ago. It is also a missed opportunity to reaffirm our parliamentary sovereignty with a proper sovereignty clause. The Bill is a missed opportunity and I shall not vote for it.

6.52 pm

Mike Gapes (Ilford South) (Lab/Co-op): The hon. Member for Stone (Mr Cash) referred to clause 18 as a judicial Trojan horse. I would like to refer to the Bill as a whole as a pantomime horse. It is clear from what the hon. Member for Westmorland and Lonsdale (Tim Farron) said that there must have been some very interesting discussions within the coalition about exactly what would be put into the Bill and quite how it would be justified. I do not know what discussions went into the explanatory notes, but it would have been interesting to have been a fly on the wall, particularly looking through the references to the justifications for the list of items in schedule 1. The notes state:

"provides that any proposal to remove the UK's veto over the use of any of the Treaty Articles listed in Schedule 1 would require a referendum."

The reality is that many of the issues that are being proposed as requiring a referendum are not massively significant. As the hon. Member for Harwich and North Essex (Mr Jenkin) pointed out, the real issue for many Back Benchers—mostly on the Conservative Benches, although I accept that there are one or two on the Labour Benches too, but not—me is a referendum on the issue of in or out of the European Union.

Like my hon. Friend the Member for Rhondda (Chris Bryant), I have also been very much an opponent of the idea of referendums. I would agree with former Prime Minister Baroness Thatcher, when she quoted the former Deputy Prime Minister and then Prime Minister Clement Attlee as saying that referendums were the devices of demagogues and dictators. There is a large element of truth in that. We must be careful if we start to move away from parliamentary sovereignty and democracy towards a referendum-based society. If we are not careful, we could end up like Italy, and the way in which Italian politics have developed over recent decades is not a model that we should follow.

I want to say clearly that there is a range of reasons why the Bill should be opposed, but one of the most important is that it does not address the real issues that face the European Union. We should be having a debate about the rise of Asia; about how the EU is effective globally; about how the External Action Service can get the resources and the competent people to be able to play a role in avoiding conflicts and tensions and building peace around the world, as well as its diplomatic role. But we are not doing that.

We will not have, as has been pointed out from the Front Bench, the pre-European Council debate that we have always had on the Floor of the House, because the Government, for their own internal reasons, have deemed it something that they do not wish to have, and today becomes a very poor substitute.

The Minister for Europe (Mr David Lidington): May I remind the hon. Gentleman that since the adoption of the proposals in the Wright report, responsibility for arranging those debates on the European Union has passed from the Government to the Backbench Business Committee? It is for that Committee to make that provision from the 31 days available to it.

Mike Gapes: The Government are hiding behind the words in the Wright Committee's report. The reality is that if the Government wished to, and they thought that it was sufficiently important, we could have a debate in Government time on the Floor of the House, as we have always done, on the matters to be discussed in 10 days' time at the European Council meeting, which comes at a crucial time for the future of this country and the EU. The issues range from the crises in Greece and Ireland, to climate change and the Cancun meeting, and what is happening with regard to China and its role in the world. Not least is what will happen over the coming decades with regard to migration policy and the impact that global changes will have on the people of north Africa and elsewhere who might wish to migrate to the EU. Those are the issues that we should be discussing.

We have had a lot of comments recently about Russia, although I will not depart from the subject of debate today. Frankly, the relationship between the EU and Russia is a complete shambles. There is no agreed approach on energy policy or on how we deal with human rights abuses and the suppression of democratic opposition in Russia. Why do we not have a debate about the role of the EU there? These are the vital questions, but instead of discussing them we are hiding behind the minutiae of a proposal, which if it is implemented will, as the hon. Member for Stone pointed out, put power not in the hands of a sovereign Parliament and Members of Parliament—elected representatives—but more and more in the hands of the judges and the judicial authorities, who will increasingly interfere in a political way. They will make the decisions about what matters are to be decided, not the elected people who represent the people of this country.

That is a fundamental matter, yet the Government are slipping this measure through, so that, with all the proposals in schedule 1, clause 18 and elsewhere, we will end up with the judicial system, not the political system, determining how this country is run. That is a fundamental decision—a fundamental matter—yet it has been slipped into the Bill as though it were a safeguard against the European Union taking away sovereignty. Actually, the proposal gives more power to the judges and to the legal system to take away parliamentary sovereignty. That is nothing to do with the European Union; Ministers themselves have determined those matters.

Neil Carmichael (Stroud) (Con): Listening to the debate so far, I think that we might need a referendum to decide whether we need a referendum. As we are looking at the role of the judiciary and its capacity to make decisions, however, does that not underline the sovereignty of this country? Our judiciary makes those decisions.

Mike Gapes: I am not so sure that I want our judges making political decisions. Political decisions should be made by elected politicians, because after all we can be

[Mike Gapes]

removed and our electors can throw us out. The judges cannot be elected, unless the hon. Gentleman wants us to adopt—God help us—the American system, and we should not do that.

The Minister, in his recent written statement, said:

"The common law is already clear…Parliament is sovereign."—[*Official Report*, 11 October 2010; Vol. 516, c. 4WS.]

He went on to say that the Bill's provisions do not alter the existing relationship of EU law and UK law. In which case, why do we need the Bill? If Parliament is sovereign, as he states, why have the Government come up with the proposals before us? The Bill is a fig leaf. It is a political tactic to give the impression that the Government are fulfilling the Conservatives' obligation, in their manifesto commitment, to their Eurosceptics on a possible referendum—but not on the issue on which the hon. Member for Harwich and North Essex wishes to have a referendum; it is to be on other issues.

The Bill is an absurdity. It is a bad Bill, which leaves open the potential for legal challenges and judicial reviews, takes away power from Parliament and gives it to the judiciary, and does not change the relationship, as the Minister says, between existing UK law and the European Union. Therefore, why do we need it? It is a disgrace, and it should be rejected.

7.2 pm

Mr Stephen Dorrell (Charnwood) (Con): I do not always agree with my hon. Friend the Member for Stone (Mr Cash), but when he describes this as a mouse of a Bill he is rather closer to the truth than the rhetoric of the hon. Member for Ilford South (Mike Gapes), who slightly overstates the dangers that are attached to it.

I speak in support of the Bill. Like my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron), I am a pro-European, although, when I listen to the enthusiasts make the case for our membership of the European Union, I quite often conclude that the case is made in rather more apocalyptic terms than those that I would choose. We heard a good example of that from the hon. Member for Rhondda (Chris Bryant), who seemed to claim credit for the European Union in the collapse of the Soviet bloc and in the outbreak of democracy in Spain, Portugal and Greece. No doubt he would attribute to it the green revolution in Ukraine—

Mr MacShane: Orange.

Mr Dorrell: Orange. The right hon. Gentleman is quite right. We regard all those developments as steps in the right direction, but, although there is a chain of causality back to the European Union, it is a relatively modest one.

I shall try to make the case for the Bill, which should be supported, in considerably more modest—one might even say, more sceptical—terms, because people who claim for themselves the title of sceptic in the European debate often desert the basic principle of scepticism, which is to stand back from the argument and seek to assess it more coolly than sometimes is the case.

I have drawn attention to the argument from the hon. Member for Rhondda in support of the EU and our membership of it, but those who argue the case against it, and increasingly explicitly argue that we should leave it, tend to express the argument in terms of irreversible shifts of power and use the word "permanent".

I again am a sceptic, however, because history teaches us that no human institution is permanent and there are no irreversible shifts of power. There is only a tide of human events, and the case for the European Union, which I am happy and, indeed, keen to make, is the pragmatic case whereby, in the world of 2010, the European Union, which is a dramatically different institution from that set up by the treaty of Rome in 1958, should be supported not because it is perfect, when it plainly is not, but because it serves a purpose. Imperfect as the EU is, it is part of the arrangements for the governance of Europe, and on balance it contributes more good than it inflicts harm. In human affairs, that seems to me justification enough for the institution to continue to exist.

It is often said of the European Union that there is no European demos. Indeed, my right hon. Friend the Foreign Secretary used to make that case when he argued for a more sceptical approach to the development of European institutions. It has become increasingly obvious that there is no such thing as a European demos, but the EU, as it has evolved since 1958 and partly because it now has so many more members, is increasingly obviously an intergovernmental organisation, which most people in the House and, indeed, among our constituents accept as a fact of life, not something that should be particularly resisted.

Mr Jenkin: Where is the evidence that the European Commission or the European Court of Justice accept that the EU is an increasingly intergovernmental organisation? I put it to my right hon. Friend that, actually, they insist on quite the reverse.

Mr Dorrell: They may have ambitions, and people within those organisations plainly do have ambitions, but that is exactly what the Bill seeks to address. It introduces not an irreversible, immovable, permanent safeguard that can never be overcome, but, as my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) said, a further inhibition on the development of competence within the European Union, which I would have thought my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) welcomed. Again, it is a modest step. My hon. Friend the Member for Stone dismissed it as a mouse of a Bill, but even if it is a mouse it can be a mouse on the right side of the scales, and that seems to be the case for it.

The Bill is right in principle and in practice. It is right in principle, because I do not agree with the arguments against referendums in principle when the question at stake is how the country is run. I agree with one of the points that my right hon. Friend the Member for Wokingham (Mr Redwood) made, when he said that part of the problem in terms of public acceptance of the European case is the perception—indeed, the reality—that competence has passed to the EU without the scrutiny that our constituents want to see. That is a correct statement of historical fact, so, in order to rebalance the argument, it is a step in the right direction and a correct principle that any further accretion of power to the European institutions should be subject to a referendum block, the terms of which are set out in

the Bill. The hon. Member for Ilford South argued that a Bill introduces the opportunity for judges to interpret it—well, yes; that is the nature of an Act of Parliament. If we pass an Act of Parliament, that creates a statute, which is interpreted in the courts. There are no Acts of Parliament of which that is not true.

Against the background of what has happened in the European argument over 40 years, the Bill introduces the correct principle that further accretion of competence to the European institutions should be subject to a referendum. That is right in principle. I also think that it is right in practice, for the important reason that my right hon. Friend the Foreign Secretary set out in his speech and which was impliedly accepted in the speeches made by both the shadow Foreign Secretary and, ironically, my right hon. Friend the Member for Wokingham. What matters in the European argument now is the use of these competences and how this increasingly intergovernmental organisation reacts to the pressures of events.

My right hon. Friend the Member for Wokingham pressed the point that there are some fundamental threats to our economic development, tied up in particular in the current pressures on the euro. I entirely agree with my right hon. Friend about the dangers that arise as a result of those developments. The case that my right hon. Friend the Foreign Secretary was making for the Bill is that it is a modest step to disarm the constitutional argument about how we are run, in order to focus the debate on where it properly needs to be—on how those competences are used by the European institutions and how that impacts on our way of life.

Mr Clappison: My right hon. Friend is making an eloquent speech. May I take him to the question of intergovernmentalism? Is that not precisely what we were told was happening at the time of the Maastricht treaty, with the construction of the pillars, which were supposed to reserve certain competences and areas of responsibility for the intergovernmental method? Since then, has not the European Union deliberately knocked down the pillars and brought those areas of intergovernmentalism into the main European treaty, which relates to the functioning of the European Union, and that in no way can be described as an intergovernmental body?

Mr Dorrell: My hon. Friend is entirely right. Like him, I would have much preferred it if the Lisbon treaty had not been introduced, so that the pillars of intergovernmentalism in the Maastricht treaty were protected. But that does not alter the fact that if we attend a Council of Ministers meeting in Europe to exercise the competences of the European Union, the process of discussion about how the power is used by the Council of Ministers, particularly in a world of 27 member states, has the feel of a negotiation between member states of an organisation. It is a negotiation between member states.

My hon. Friend the Member for Harwich and North Essex is right to say that there is a strong power of initiative in the European institutions. Like him, I do not want any further competence to be passed to them. My case for the Bill is that it reduces the risk of that process happening again; it does not make it impossible, but it reduces the risk. I hope that it will make a modest step towards rebuilding public trust in the framework of the European argument and therefore refocus that argument on where it properly needs to be—on how those competences are used, rather than on yet more discussion about the further extension of "the European project".

7.14 pm

Mr Denis MacShane (Rotherham) (Lab): We have had a menagerie-type debate: Pandora's boxes have been opening, Trojan horses have been jumping out of them and there have been mice of different sizes to contemplate. But there is a broad division—between Labour Members, along with the hon. Member for Westmorland and Lonsdale (Tim Farron), and most of the speakers on the Government Benches. They have a rather Hobbesian view of Europe, in which there is an undeclared war of all against all.

I take the view that Immanuel Kant—or, as it should be pronounced properly in German, "Immanuel Kunt"—put forward in his perpetual peace argument. He argued that Europe needs a construct of rule of law, a Lockean Europe, in which we can live together in perpetual peace, as he thought. It has taken perhaps 200 years to get that far, but that is my version of Europe rather than the permanently negative one where it is Britain contra mundum, about which we hear so much from the Government Benches.

Austin Mitchell: As my right hon. Friend is representing his views as those on the Opposition Benches, —I do not think that they are—may I ask whether his own constituents are Kantians or Lockeans?

Mr MacShane: Perhaps I shall leave the reply to my old friend, Jim Naughtie.

We have also seen again today what surely must be an iron law of British politics—people can campaign in opposition as Eurosceptics, but they have to govern as Euro-realists. The outbreak of Euro-realism in the coalition Government was not brought about simply by the presence of the Liberal Democrats; it has happened because no Government of Britain could remotely sustain themselves in a relationship—not just to their European partners, but to partners around the world—on the basis of the hyped-up rhetoric that we heard from the Foreign Secretary when he was shadow Foreign Secretary. From that most powerful and amusing orator of the current Commons, we heard a very workaday speech. My right hon. Friend the shadow Foreign Secretary made a powerful and witty speech that reminded me of the late John Smith. But there we are—I have described what happens when people become Foreign Secretary. Realism has to break in.

Kelvin Hopkins (Luton North) (Lab): I remind my right hon. Friend that one bit of Euro-realism is that the euro is in a state of collapse. Is that not realism as well?

Mr MacShane: I do not want to enter into a duologue with my hon. Friend about the euro, although I expect that it will be around a little longer than its gravediggers may imagine or hope. If we are to revert to that Hobbesian world in which every currency fights against every other, devaluing and insisting that products be traded on a different basis every month or every week, there will be no swifter invitation to the setting up of protectionist barriers such as existed before the Common Market, the European Community and the European Union.

Kelvin Hopkins *rose—*

Mr MacShane: We have only a short time. My hon. Friend will have time to make his own speech.

The Foreign Secretary's speech was to please the party faithful, as will be the one we hear during the wind-ups. The fact that it so singularly failed to do so was reflected in the speeches made by the right hon. Member for Wokingham (Mr Redwood) and the hon. Member for Stone (Mr Cash); perhaps we will hear that from other speakers, too, if they catch your eye, Madam Deputy Speaker. One cannot please the *Daily Mail* and represent Britain faithfully and effectively.

I read through the Bill fairly carefully, as I hope we all have. It is not so much a mouse, as a mouse without definition. The key adjective—and I am nervous of legislation that is built around an adjective rather than a substantive—appears in clause 5, under which a Minister has to come to the House and say, "I think there should be a referendum because in my judgment there is a 'significant' transfer of powers." But "significant" is not defined; it will be in the eye of the beholder.

I am not sure whether that will lead to references to the courts. I hope not. I see before my eyes the gradual atrophying of Parliament, as judges decide bitterly fought election campaigns. Libellous and defamatory remarks have certainly been made about me in election campaigns that I would not dream for one second of taking to the judges, who can now set aside the sovereignty of the British people and say that an election is null and void. More generally, judges want to have a much greater say in our parliamentary democracy. I will not use the Pandora's box metaphor, but the Bill opens the door to a lot more of that.

The extraordinary shopping list in the Bill also worries me. The Library document refers to 57 items that must trigger a referendum, but I think that the list contains 56 items. Schedule 1 states that any change that involves an

"approximation of national laws affecting internal market"

must trigger a referendum. As Prime Minister, Baroness Thatcher did nothing of greater service to this nation than to bring in the Single European Act, which led to the greatest approximation of national laws affecting a market of many different nation states in the history of humankind. I utterly welcome that. We need more approximation and more open markets.

It would be good to have a single patent system, but if 26 other European countries followed our route, any approximation of the internal market, such as a single patent system, could involve a referendum in Estonia, Poland or Hungary, which would begin to roll back that single market. What is sauce for the British gander will be sauce for 26 other member states' geese. Those member states will take the message from the Government and from this House of Commons today—sorry, I am about to use the animal metaphors that I decried at the beginning of my speech—that because this wretched little dormouse or shrew of a Bill will be passed tonight, Britain is turning its back on them.

Oddly enough, the Government are not completely doing that. I was always told the adage that money is power and power is money. We are blithely giving away £7 billion of taxpayers' money to help Ireland out of its hole without having any serious debate or discussion. This is a profoundly important point. It is not good enough for the Leader of the House on Thursday mornings or the Minister for Europe, the hon. Member for Aylesbury (Mr Lidington), whom I like and respect, to say it is up to the Backbench Business Committee to decide whether to have a debate on Europe. It is of profound importance to the House of Commons that we have a thorough debate on Europe twice a year.

Tomorrow, there will be an EU-Russia summit. My hon. Friend the Member for Ilford South (Mike Gapes) has raised profound points about Khodorkovsky, human rights, Sergei Magnitsky and other appalling cases of the treatment of people inside Russia. In addition, we have huge worries about relations with Turkey. I am a supporter of Turkish accession. What a preposterous notion it is that the accession of Turkey, which is comprised of 80 million people from completely different backgrounds, should not be submitted to a referendum, but the question of whether there will be an extra advocate-general or judge-advocate should be submitted to one. This is absolutely ridiculous and the British people—and I am afraid the people who hate democracy, such as those in the British National party and the UK Independence party—will mock us because of the issue of Turkish accession. Yes, the Foreign Secretary may say that it is some way off, but it will dismay a great number of people that we are legislating for eternal referendums on minor issues, but not on Turkish accession.

I will put my cards on the table. The Foreign Secretary said wrongly that Germany has similar provisions in its law. It does not. The German constitution was devised not by us but by the German people and it expressly forbids plebiscites for good, clear, historic reasons. Yes, there is a German constitutional court, but that is because it has a written constitution. Perhaps that is a road we need to walk down.

I hope that the Bill is opposed, because it weakens Parliament and Europe. It sends a message that, under this Government, the commitment, concern and leadership that Europe is so desperately lacking will not come from the present crop of Ministers. That is a shame. Europe needs leadership because it is going through a crisis, and the absence of that leadership from this Government is to be deplored.

7.25 pm

Richard Drax (South Dorset) (Con): How interesting that the poor old mouse has taken such a lot of stick tonight. Several hon. Members have used the expression "mouse of a Bill." It is a mouse that the EU cat will play with, mutilate and consume. I have heard the words, "judicial reviews," "written constitution," "competences," "vetoes," "referendums," "advocate-generals," and "ratchets." That is the language of the bureaucrat. The bureaucrat loves this. Such legislation employs the bureaucrat and gives them lots of money on the gravy train in Europe.

We want our country back. That is what we want. We do not want to say goodbye to Europe; we want to trade with Europe. I like Europe. I like the French, the Germans, the Italians; they have so much to offer us. However, we should not be ruled and regulated by Europe, particularly by the unelected Commission. If we want to be more committed to Europe in the sense that Labour Members wish—to be in Europe, to trade with Europe—it needs to become more democratically accountable. That is why, at first glance, the Bill ticks all the boxes. What

could be more democratic than to ask our nation to vote on new EU initiatives? As my hon. Friend the Member for Clacton (Mr Carswell) pointed out—his expression has been used twice tonight—the problem is that the legislation is all smoke and mirrors.

As we have heard, we are being asked to approve a Bill that includes a referendum lock and that sets out to ensure that no future transfer of power to Brussels will take place without the approval of people in this country. That is an admirable aim that we promised in our manifesto, when we undertook to repatriate powers from the EU. The Bill does not do that. Labour—most of you—betrayed this country. You promised us a referendum on the Lisbon treaty. You promised us—

Madam Deputy Speaker (Dawn Primarolo): Order. The hon. Gentleman must not place burdens on the Chair that do not exist. Will he desist from using the word "you" when making accusations about other people's behaviour?

Richard Drax: I apologise. I am happy to retract that statement.

To our Government's credit, they have attempted to prevent the ratchet clauses with the referendum lock. That is a seemingly elegant solution that, as I said, will give power back to the people. However, if we look at the Bill more closely, we will see that there is plenty of wriggle room. I, for one—there are obviously many others—am unhappy with that. The lock is entirely bogus. A referendum will be triggered only if Ministers believe what their civil servants tell them and agree that the subject is significant. If they do not consider it to be significant, there will be no referendum and the matter will become law.

In areas where primary legislation is required but that are not considered significant enough to put to the people, we are asked to take the matter on trust. We are asked to trust that our masters will ensure that no further powers are transferred away from the UK during the next Parliament. This would be easier to swallow had we not already allowed the EU to roll us on our backs on five occasions in the past six months. We have had the European External Action Service. What action—to take our money? We have had the European arrest warrant. I have a constituent, Michael Turner, who has been in jail in Hungary for 115 days with no charge. His crime, allegedly, is that he left creditors owing about £18,000 when his business closed in 2002. There has been an endless pursuit by the Hungarian authorities to find an offence with which to charge him and a colleague. The investigation was dropped because they could not find enough evidence to get him, and now they are mounting another one—but there is still no charge. Then we had EU regulation over the City, EU oversight over our national budgets agreed to, and finally, our contribution to the EU budget increased despite our objections. May I ask what happens when we really do roll over?

The truth is that not a single one of those transfers of power would have been halted as a result of the referendum lock proposed today. Nor are the accession agreements affected, so new countries joining can do so, as the right hon. Member for Rotherham (Mr MacShane) said, without the EU asking our citizens. I can see why they would not be asked. We already have 27 countries in the EU and hundreds of thousands of people are able to move freely within it. That was practicable when the EU was a smaller organisation, but it is not practicable any more.

There are constitutional questions hanging over this legislation that have tested far greater legal minds than mine. Suffice it to say that one five-line passage—clause 18—does not enshrine our sovereignty adequately. Professor Adam Tomkins has said that the Bill

"goes out of its way to invite litigation".

His main concern is that it does not establish which of the two competing legal systems now operating in this country has supremacy: English law or EU law. He says that taken to its conclusion, ministerial decisions could be challenged in the courts. We have seen enough of that already, with our courts and judges overruled by European judges.

Our independence was hard-won over hundreds of years, yet we are seeing it trickle away as we are increasingly subjugated by unaccountable, unelected bureaucrats. A torrent of legislation threatens to submerge our identity. No fewer than 3,000 new laws passed in this Parliament last year were related in some way to the EU, and you can bet that none of them would have triggered a referendum. We have been giving away our right to govern ourselves, and we must take it back. Toothless legislation that gives the impression of protecting our sovereignty while doing nothing of the sort will simply hide the rot a little longer.

When I was elected, many of my constituents made it clear that the power-grabbing EU was one of their primary concerns. I would be serving them badly if I were to pretend that this Bill would do anything concrete to protect the country they love. I will not be supporting the Bill.

7.33 pm

Austin Mitchell (Great Grimsby) (Lab): I am enthusiastic about speaking on this Bill, because I would not want the views of Labour Members to be taken to be the extrusion of Euro-cant that has poured in from Rotherham and the Rhondda. The views of some Labour Members are much more in tune with what our voters think. My hon. Friend the Member for Vauxhall (Kate Hoey) has given us a clear indication of those views.

The problem is whether the Bill is worth supporting. It is a sad little Bill that should really be called the "Closing of the stable doors after every horse has bolted across the countryside" Bill. I am sure that the nation wants a referendum on this issue. It wants to be consulted and wants its say on Europe, but it has not been allowed it since 1975, when it was consulted on something totally different called the Common Market—a harmless, fun place that was going to make the weather better and make everybody happy. That is the last time that people were consulted, and they now want to be consulted on the shape of the current monster that is taking more and more powers.

This Bill does not provide for that consultation. The Conservatives told us in opposition, and I think in their manifesto too, although I do not have it here to check, that they were going to repatriate criminal justice and the laws on social and employment issues, but that has all gone. The stable is empty, for practical purposes, and I see the pathetic spectacle of the Foreign Secretary

[Austin Mitchell]

stood at the stable door after he has closed it singing "Will Ye No Come Back Again?" to the horses from Europe galloping all over the United Kingdom's countryside.

The Liberal Democrats' approach was even more comic. They promised us a referendum on the treaty and then suddenly became aware of the fact that it would be defeated if it were put to a referendum. They therefore changed what they were asking for from a referendum on the treaty, which they said was no longer a treaty, to a referendum on "in or out", with which they thought they might stand a better chance. However, they knew that nobody would give them such a referendum; they were trying to get a referendum that was an impossibility.

I cannot be over-critical because my own party's position was, at best, ambiguous. We said, "Yes, we shall have a referendum", and then we said, "Well, this isn't really a treaty—it's something else." Perhaps it was a German sausage or something; I am not quite sure what it was supposed to be. Anyway, we said, "It's not a treaty worth having a referendum on; it's something else, and therefore we won't give you a referendum."

This is a history of betrayal by all three parties, and we have to make good to the people, who want a referendum. There is a need for a referendum, but this Bill does not provide for it. As my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) said, it will be a lawyer's charter, and one that ignores much of what is going on in Europe. What is going on is the steady process of accretion of power, money and control over this country.

We should look at the increasing costs of Europe. The annual budget contribution is now £7 billion, and rising because of devaluation—it will rise to £10 billion fairly shortly. There is £2 billion for projects such as Galileo, which will build, at enormous expense, a satellite guidance system that the Americans already provide for free. There is £8 billion for the costs of the common agricultural policy, which comes from buying food on a dearer market when it is available more cheaply elsewhere. There is £2.8 billion for the costs of the common fisheries policy, with our fish being caught by foreign vessels and taken to Europe to provide jobs there. There is the cost of regulation, which has been calculated at £20 billion. Then we can add the cost of the monstrous machinery of the new foreign service, the European External Action Service, which will be more expensive than our own Foreign Office. All its ambassadors will have, at enormous cost that we are paying for, bullet-proof cars and bomb-proof embassies. If we add that lot together, we get to £40 billion—perhaps more. If we were not paying this Eurogeld every year, across the exchanges, we would not need the diet of cuts that the Chancellor and the Liberal Democrats are proposing for us.

Kelvin Hopkins: My hon. Friend has omitted to mention—I know that he knows this to be true—that we have had slower growth in the European Union than we would have had had it not existed. We had faster growth when we had stable but separate currencies, and that led to the prosperity that we knew in the post-war era. Slower growth in the European Union, which has been compounded over many years, means that we are now less well-off than we would have been had there not been a European arrangement.

Austin Mitchell: My hon. Friend is exactly right. We have suffered from slower growth, and now we have a 25% devaluation. We cannot generate the exports that we want because of the deflation in Europe that is necessary to heal the problems of the euro.

That brings me to the second problem that I want to deal with. Not only have the horses bolted from the stable, but it is on fire as the crisis of the euro continues. We warned Europe that it would not work and it has not worked. One exchange rate and one interest rate cannot cover the varied circumstances of Europe. A central Government is needed to redistribute to areas that suffer from the single currency and the single interest rate. Countries all have different rates of inflation. It is impossible for the weaker economies to get down to Germany's low rate of inflation. The result is that their trade suffers, because they cannot get export prices down to a competitive level. Gaps have therefore emerged and those gaps have led to a crisis, and Europe's way of dealing with that is to dole out more funds from a big bucket—a bucket to which we have contributed in the case of Ireland.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): My hon. Friend is a critic of the European Union, and he is listing many differences that he would like to see in the European arrangements. Does he not think that changes that the British Government want and that are in the national interest might be harder to achieve if this legislation is passed here and is copied across the EU?

Austin Mitchell: My argument is that the Bill does not help us to deal with, or give us a veto over, the problems of Europe as they are. Those problems are the real threat to this country. Let us say that we are doling out £100 billion to Greece and £100 billion to Ireland and if Spain is the next to collapse, the figure could be about £400 billion, so the whole fund of £750 billion could be gone in one fell swoop. Germany will not let that go on. At some point, the system must collapse.

The Bill has nothing to say on that process and the Government will not tell us what they are doing in the European negotiations. What is our point of view? Are we prepared to support that process and to commit money? The Bill will not give us a veto over any such commitments and the Government will not even tell us what those commitments are. That is a disastrous situation. There will have to be a big bail-out. This situation cannot be dealt with by Elastoplast, with a bit here and a bit there. It must be dealt with by a fundamental reorganisation of the euro. In my view, a default is the only way in which to save the situation.

The Bill does nothing about that issue and nothing about one of the other major issues facing Europe—the entry of Turkey. The Foreign Secretary said that that matter is excluded from the Bill, but it would be a fundamental change to Europe. We should think of the immigration problems—to say the least—that would occur if Turkey, which has a much bigger population than most existing member states, were allowed into the European Union.

Thomas Docherty: I struggle to understand what makes Turkey so different from Romania, Hungary or any other eastern European nation. Is there not a danger that we will be perceived, wrongly, to be singling it out because of its Muslim nature?

Austin Mitchell: That may be true, but the British Government want Turkey in. I am not unfavourable; I am just saying that its admission will be a fundamental change in Europe and that the Bill will not give the British people a say over any of these matters. *[Interruption.]* I am not sure whether my right hon. Friend the Member for Rotherham (Mr MacShane) is making a Gallic gesture or whether it is a sign for me to sit down and shut up.

Mr MacShane: On the contrary, I am completely in agreement with my hon. Friend, which is rare in a European debate. It is a preposterous Bill that does not include the question of Turkish accession. That is the fundamental change that will come about in the nature of the EU and in our relationship with it. I support Turkish accession, but not to put it in the Bill just shows what a—what is smaller than a shrew?—worm of a Bill we are debating tonight.

Austin Mitchell: The mountains will labour and a ridiculous mouse has been born. That is certainly true. I am sorry that I mistook my right hon. Friend's gesture—he is so European that I thought he was going, "Je m'en fous." I gather that he was not.

I agree with my right hon. Friend's point. The Bill does not give the British people a say; it gives them a tiny squeak, and on things in which they are not particularly interested. To give them a squeak is better than to give them nothing at all. I have to consider whether I shall support the Bill on that basis, which frankly I am loth to do. Is it worth the effort? I am certainly not enthusiastic about the Opposition amendment, which really says nothing at all. Faced with that dilemma and being somewhat jetlagged, the best solution that I can think of for tonight's vote is to go home and read a little Keynes—I wish that the Chancellor had done the same.

7.45 pm

Zac Goldsmith (Richmond Park) (Con): I want to start simply by saying that I love Europe. I have countless brothers and sisters—I have lost track of how many—dotted throughout Europe, and probably many whom I have not yet met, for whom English is a second language. I therefore have to love Europe. There are even aspects of the European Union that in my view are very important. Without a doubt, some issues and problems are best addressed through co-operation, not least climate change and other environmental concerns, which ignore national borders. Addressing those problems has never required and does not require the creation of a pan-European superstate. There is no doubt that that is where we are heading. To take just one example, 80% of the business of the Department for Environment, Food and Rural Affairs is now determined at EU level.

There are two key problems with that extraordinary shift. The first is that the EU has too many conflicting styles of government for it to work effectively. An exasperated former Environment Minister complained:

"In one Member State, everything is permitted unless it's forbidden. In another Member State everything is forbidden unless it's permitted. And in some Member States everything is permitted – especially if it's forbidden".

When I think of this country's appalling habit of gold-plating even the most awkward and damaging regulations, I occasionally wish that we formed part of the latter group.

There is a much bigger problem. Of all the major changes that have occurred in Britain's history, the EU project is surely among the most significant. We have seen major steps towards the formation of a single European Government, who now have more powers than our own. That has happened with virtually no consultation. I ask passionate supporters of the EU, those who are absolutely wedded to continued integration, what they will do if ever the EU moves in a direction that they no longer approve of. The answer is that because EU decision makers are, on the whole, thoroughly insulated from proper democratic pressure, there is very little that they will be able to do. That point is fundamental. The ability to rid ourselves of unpopular politicians and regimes is the single most important ingredient in any democracy. On that basis, the EU is simply not democratic. How many people in this country genuinely believe that the vote they cast in a European election will make the slightest bit of difference to how Europe is governed?

We have a brilliant new fisheries Minister, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon), who is determined to reform the common fisheries policy. Like any normal person, he is appalled that nearly half the fish that we catch in the North sea are thrown back dead or dying as a result of nonsensical laws on quotas. How many hon. Members believe that he will be able to change those laws, even with the support of this House, when he negotiates them later this month?

It is no wonder that the percentage of British people who believe that our membership of the EU is a good thing has, according to recent surveys, fallen to just 31%. It is no wonder that we have seen the rejection of treaties by the French, the Dutch, the Danes and the Irish, all of whom were ignored disgracefully by their Governments and the European Union. It is no wonder that we have seen a continent-wide decline in turnout in the European parliamentary elections from 62% in 1979 to 43% last year.

It is not only time for a referendum lock on the further loss of sovereignty, but for a national debate about the repatriation of key powers to this country, followed by a referendum to legitimise those reforms. I believe that without radical reform of the European Union, that institution will not survive. Passionate supporters of the EU should embrace the need for reform, for without it, the institution that they support will not exist in the future. A referendum lock alone is not enough, and if we are honest, it is not even on the cards. The judgment as to whether a treaty or treaty change meets the criteria for triggering a referendum will rely on the subjective opinion of a Minister and it will be for the Government to adjudicate whether a change represents a transfer of power and a loss of sovereignty. Is that really an adequate safeguard?

Almost every successful candidate in the 2005 election was elected on a manifesto that promised a referendum on the EU constitution, but there never was such a referendum, as we have heard from a number of hon. Members. We were denied one because, when the

[Zac Goldsmith]

constitution was re-edited, repackaged and re-presented following popular rejection, it was cynically declared by a Minister to be merely an anodyne tidying-up exercise. That was a ridiculous claim that was denied even by the authors of the constitution.

Mrs Anne Main (St Albans) (Con): My hon. Friend is making a very powerful speech, and I agree with an awful lot of what he has said. As a Member who was elected in 2005, it is that concept of anodyne tidying-up that worries the hell out of me in this Bill. It says that if something is only tidying-up, it does not need to come before Parliament. It was the tidying-up in the last treaty that the Conservative party objected to so much. I do not feel that I can support the Bill tonight. I hope that it will come back in a much better state on Third Reading, but I am not hopeful.

Zac Goldsmith: I absolutely share my hon. Friend's concerns, and I wish to quote—excuse the pronunciation—Charles, Comte de Talleyrand, who once said of an unknown acquaintance:

"In order to avoid being called a flirt, she always yielded easily."

By that logic no one can ever accuse Britain of being a flirt, because we have yielded at every single opportunity, as my hon. Friend has just reminded the House. I have just one question for the Minister. What guarantee—not assurance—can he provide that this Bill will prevent such a thing from ever happening again?

7.51 pm

Mark Hendrick (Preston) (Lab/Co-op): I have been quite dismayed by some of the contributions to the debate, from both Government Members and Opposition Members. It is well known that the Bill is supposed to be red meat for some of the Eurosceptics on the Conservative Benches, many of whom have wanted referendums in the past. I remember them asking for a referendum on the Nice treaty, then on the constitution and then on Lisbon.

Andrew Bridgen (North West Leicestershire) (Con): Surely it should be blue meat, not red meat.

Mark Hendrick: Depends how much blood is on it, I think.

The modern Conservative party has become a surrogate for the old Referendum party. It is quite fortuitous that my speech was preceded by that of the hon. Member for Richmond Park (Zac Goldsmith), the son of Sir James Goldsmith, who served with me in the European Parliament. I remember the damage that the Referendum party did to the Conservative party up and down the country, and it is interesting to see that Sir James's son now sits on the Conservative Benches.

Zac Goldsmith: The Conservative party did a lot of damage to itself in the 1997 election, because it lost the trust and confidence of the people. The Referendum party was merely trying to fill that gap, and I am very proud to be the son of the man who launched it.

Mark Hendrick: I am sure that the hon. Gentleman is very proud, and I am sure that Opposition Members are very proud to have him in their ranks, but unfortunately for them, the UK Independence party has taken the Referendum party's place and is pushing the agenda even further to the right. It is even more vehemently anti-European than the Referendum party.

Kate Hoey: Why do my hon. Friend and other Members keep referring to Euro-realists and Eurosceptics who want to see a real debate and a referendum as somehow being on the right? Does he not accept that many members of the Labour party, many Labour MPs and many Labour-supporting people in the country think that what is going on in Europe is wrong?

Mark Hendrick: I thank my hon. Friend, but in my opening remarks I referred to the opinions of some Members on my side of the House, and of course she is among them. I do not think that the mainstream of the Labour party is particularly against referendums. We offered a referendum on the euro should the five tests for entry into the single European currency have been met, and we offered a referendum on the European constitution, which, as Members know, was dropped because of the referendums in France and Holland. A new treaty came forward, for which we had committed to no referendum, which was why there was no referendum on the Lisbon treaty.

The Bill is not about democracy or a referendum. For many Conservative Members it is not about any future competences of the European Union; it is about getting out of the European Union altogether. I am sure that it was introduced to try to satisfy some of the Conservative Eurosceptics, but as we have seen from today's debate, it goes nowhere near far enough to do that.

Nick de Bois (Enfield North) (Con): Does the hon. Gentleman consider that one of the main reasons why the Bill is before the House is that his party failed to deliver on its promise to provide a referendum on the Lisbon treaty?

Mark Hendrick: No, we failed to provide a referendum on the European constitution. As Members know, the constitution fell because of referendums in France and Holland. What came afterwards was a constitutional treaty, namely the Lisbon treaty, on which no referendum was ever promised.

Christopher Pincher (Tamworth) (Con): Will the hon. Gentleman give way?

Mark Hendrick: Yes, but for the last time, because everybody is taking up my time.

Christopher Pincher: I am grateful. Does the hon. Gentleman think that there should have been a referendum on that constitution?

Mark Hendrick: No, I do not. The party view was that there should have been one had the constitution been put to the House, but it was not the constitution that came to the House; it was the Lisbon treaty. That is quite clear.

The referendums provided for in the Bill are not about voting on any specific competences that might go to the EU, they are cover for showing general dissatisfaction with the EU per se. They are the thin end of a very thick wedge, moving us towards withdrawal from the EU. The Bill is a sop to the Eurosceptics, in the same way as bringing the Conservatives out of the European People's party in the European Parliament was a sop to them. The Government promised a Bill to protect sovereignty, but it does not do that. It does not change the position between this country and the EU at all.

Problems arise from the fact that this is a coalition Bill and the Liberal Democrats cannot be seen to have had no influence on it. It is noticeable that there are no Liberal Democrats in their places as I speak, whereas the Conservative and Labour Benches are quite well populated. They say that they are a more pro-European party, yet for some reason they are in with the Conservatives on this Bill and are looking more like a referendum party than a pro-European party. In Cheltenham last year, the Foreign Secretary talked about the Liberal Democrats being on a road to a united states of Europe, but it is clear from the Bill that they are on no such road.

The Conservatives do not want a sovereignty Bill, which is why the Bill has become a joke. Clause 18 does not protect sovereignty in the way that the Conservatives promised at the general election. All it does is protect the status quo, which I will discuss in more detail later. For what it is worth, the Bill is aimed at Ministers, although not Ministers of this Government, or presumably of a possible future Conservative Government. It is aimed at tying the hands of a future Government of some other political hue who may wish to accept that decisions made by an EU of at least 27 member states may be of benefit to the UK.

Irrespective of the merits of the changes to a treaty, a future Government would be forced to get legislation through both Houses of Parliament before putting it to the country as a whole in a referendum. The clear intention is that any further movement of powers to the EU is stamped on.

We already know that there are referendums to elect mayors, and that processes are being introduced for electing police commissioners. All that is happening while this country is undergoing an age of austerity and billions of pounds of cuts are to be introduced in the coming years. Incurring extra expenditure in the future on the useless referendums set out in the Bill would be ludicrous. A treaty change may make perfect sense even to a Conservative Government, but they would be forced to get legislation through both Houses and put the matter to the country.

In a fast-changing world, we need the EU to take coherent, decisive action, but the Bill will act as an impediment to, and create inertia in, decision making. The Bill should have been called the "EU Inertia Bill" or the "EU Foot-dragging Bill"—it is for Conservatives who have not forgiven the previous Conservative Government for the Maastricht treaty and those who still blame Ted Heath for Britain joining the European venture in the first place.

Before the election, the Prime Minister, who only last week described himself as the son of Thatcher, said:

"If I become PM a Conservative government will hold a referendum on any EU treaty that emerges from these negotiations",

but of the 1975 referendum on membership, Margaret Thatcher said that referendums

"sacrifice parliamentary sovereignty to political expediency".

He is hardly the son of Thatcher, is he?

Let me get to the nub of the issue. Traditionally, the Conservative party is not just economically and socially conservative; it also seeks to conserve existing British institutions—the monarchy, the House of Lords, the rule of law, parliamentary sovereignty, MPs as representatives rather than delegates, and no written constitution. While in government, the party of Churchill, Thatcher, Macmillan and Baldwin has never offered the public a referendum. Given this Bill and the proposed alternative vote referendum, the Conservatives seem to offer referendums only on proposals that they want the public to reject.

Instead of simply stating general principles on offering referendums, the coalition has gone through the treaties line by line and set out a mish-mash of issues on which a referendum will be called, and gives a shorter list of issues on which one will not be called. That approach is not only unnecessarily complicated, but it gives the impression that the Government cannot be trusted to exercise their judgment on whether there should be a referendum on individual decisions and treaty changes.

Under the Bill, the extension of the ordinary procedure on environment policy will require a referendum, but as other hon. Members have said, the accession of Turkey to the EU will not. Which will have the greater impact on the UK? Angela Merkel's proposals on the eurozone would not be subject to a referendum because the provisions do not apply to the UK. That assumes that because the UK is outside the eurozone, events within it do not affect the UK. We may not be signatories to the stability and growth pact, but the pact and the stability of the eurozone doubtless have an influence on the stability of the UK economy.

The Bill is bad law and dubious politics. It is an act of posturing by the coalition. The Government are trying to satisfy Eurosceptic Tory Back Benchers, but achieve neither of the objectives that they set out to achieve. The Lib Dems are a fig leaf to hide the Conservative's embarrassment at Britain's membership of the EU.

8.3 pm

Laura Sandys (South Thanet) (Con): I disagree with most of what the hon. Member for Preston (Mark Hendrick) said. We have today heard a wide critique of the EU and of how we got to this situation, and I agree with most of it, including much of what my hon. Friend the Member for Richmond Park (Zac Goldsmith) said. I feel strongly that had we discussed referendums—or had we had passed such a Bill six, seven or eight years ago—we would not face the level of distrust in the country that we are facing because of the Lisbon treaty.

I very much support the Bill because it represents why I went to the people of South Thanet in May. I want to turn the tide away from rules and treaties being made on our behalf, and to ensure that the people have a say on what powers we concede to the EU. Like many Conservatives, I would have liked a referendum on the Lisbon treaty, but we were denied one. Many urged this Government to hold a referendum in any event, but that was impossible, because the deed had already been done with no reference to the British people.

Mr MacShane: Does the hon. Lady believe that we should have held a referendum on the Single European Act treaty of 1985, which ceded massive powers to Brussels?

Laura Sandys: I know that the right hon. Gentleman followed that treaty closely, but I was a touch too young to read it line by line. I would be delighted to take a history lesson on it in future.

Mr MacShane: On a point of order, Mr Deputy Speaker. The hon. Lady is still very young.

Mr Deputy Speaker (Mr Lindsay Hoyle): I think we can rule that point of order out of order.

Laura Sandys: I thank the right hon. Gentleman for his very kind words.

The Lisbon treaty was a real break in trust. Big constitutional changes need to go to the public. I used to be chairman of openDemocracy. I believe that we should trust the people and that we need to ensure that the people are part of the big, fundamental decisions. I disagree with many Opposition Members.

Mr Desmond Swayne (New Forest West) (Con): There aren't any!

Laura Sandys: Absolutely. There are hardly any Opposition Members in the Chamber, but I disagree with those who do not agree with referendums— *[Interruption.]* Is the right hon. Member for Rotherham (Mr MacShane) still speaking? Shall I sit down?

Mr MacShane *indicated dissent.*

Laura Sandys: The distrust over the Lisbon treaty has created a total and utter determination to put the people and Parliament back in control of our sovereignty, and to ensure that the public and the various views in both Houses are listened to and considered.

The Bill sets three clear triggers that will create sovereignty locks that will introduce a clear mechanism for referendums, the need for legislation or parliamentary approval. My constituency has one of the largest UKIP votes in the country—2,500 voted to get out of Europe—so I am very conscious that we need to be robust on Europe and that any further transfer of powers needs to be questioned. The Bill convinces me of our control over transfers of power, which is important.

Let us consider what will happen under the Bill. If any Government decide to propose any further power or competency transfer to Brussels, they will have to hold a referendum. If a Government decide on a transfer of responsibility to Brussels, and if they state that that is not a transfer of power or competency, they will have to justify their decision to Parliament. They will need to show that there is no change in sovereignty, and that there is no diminishment of our domestic laws. If they prove that no power or competency is transferred, they will come up against the second lock—they will require an Act of Parliament. Many hon. Members have very strong views on the EU and sovereignty, but that lock gives all of us the opportunity to vote against the proposals or to amend them, including to put them to a referendum. We therefore have the ability to call Ministers to account, and to vote on or amend legislation.

That is crucial, but I am not sure that many hon. Members see the opportunities that the Bill gives us to question the judgment of the great Ministers of State. For me that is a significant statement that makes it clear how power will be used and our relationship with the EU forged. It is important in terms of both substance and message. Unlike some of my hon. Friends, I believe that the substance is that the people will be able to sanction the transfer of power. The message is that Brussels now knows that the brakes have been put on any further power grab.

8.10 pm

Kelvin Hopkins (Luton North) (Lab): I was unable to be in the Chamber for the first part of the debate because I was detained on House business elsewhere. I came in to listen to some fine speeches—and I have certainly heard some—but I did not plan to speak myself. However, I have been provoked once again into saying a few words.

As I have said time and again in the Chamber, the European Union is not Europe. They are two separate concepts, one of which is a continent of countries that I love very much. I would wish to go nowhere else. Europe is my home—it is where my history is and where my ancestors came from. We are a group of splendid nations with wonderful histories, and we have made great contributions to the world. In contrast, the EU is a recent invention, a political construct imposed on the peoples of Europe, and not always with their consent. In recent years, there has been a drift towards a majority opposing the EU—the regular Eurobarometer test shows sinking support for the EU. The EU is not Europe; it is a political construct with which I have always had strong disagreements.

The Labour party makes the point time and again that those who oppose or are critical of the EU are of the right, and those who support it are of the left. That is strange, because it was actually the Conservatives who led us into the EU and the majority of the Labour party who opposed it in the 1975 referendum. I was the agent for the no vote in Bedfordshire, and a Conservative Member for a Bedfordshire constituency was the agent for the yes vote. I reminded him of that when I met him recently—he has passed away now—and he was horribly embarrassed because he had changed his view. I have not changed mine.

The referendums held recently in European nations have been won by my standards—lost by the standards of the Euro-enthusiasts—by people of the left, including trade unionists and working class people who did not feel that this machine would be to their benefit. That was true in France despite the leadership of the French Socialist party balloting its membership to get a yes vote. In Holland, again, it was trade unionists and people of the left who voted no; it was people who thought that some of the rights they had achieved in the post-war democratic world might be taken away by the EU. In Sweden, too, there was a referendum on the euro, and again it was the left who opposed it, because they could see that being bolted to a single currency would remove the flexibility that all economies need from time to time to be able to adjust.

I am broadly in favour of stable currency regimes, although not a complete floating currency rate. We had one after the second world war, between 1945 and 1970-ish,

and it worked: we had full employment, growth, rising prosperity and greater equality than we had ever seen, and welfare states developed all over Europe. Somehow, however, we gave it all away, and now we have gone for a neo-liberal, free market view of the world with which I completely disagree and which has brought us close to disaster in recent years. I think that the social democratic world of Europe after the second world war was a good world and one that worked. That is why I so strongly oppose most of what the EU is doing. It is trying consistently to take all that away and to create a world of competition and free markets with which I do not agree. It has brought us close to disaster.

My record on opposing the single currency goes back a long way. In 1979, I worked as a research officer for a then trade union called NALGO. I wrote a brief on the "snake". Hon. Members with long memories will remember the "snake"—the European monetary system—and whether we should join it under Denis Healey. I wrote a brief to our general secretary saying, "This will be a disaster. It's the first step on the way to a single currency and will do us no good." Geoffrey Drain, our then general secretary, went to the TUC, taking my brief with him, and he argued strongly against joining the "snake".

The TUC then went to Denis Healey and again argued strongly against joining the "snake", and he agreed not to join it. I am not sure whether it was just down to me, but we all agreed anyway. Subsequently, however, we made the great mistake of joining the exchange rate mechanism, which did the Conservative party no good, I fear. Had it not joined it and had we not suffered the depression, the negative equity, the housing market collapse and the rise in interest rates in 1992, or had it not been ejected from or left the ERM, it might not have lost the 1997 general election. That was the cause of its loss, and many Conservatives rue the day they were persuaded to support joining the ERM.

I opposed the ERM before we joined. I wrote a paper saying what would happen, and I was proved right—I said that the money markets would speculate against it and that it would break. That proved to be correct. Since then, I have opposed a European single currency. I was a founder member, with several good comrades on the Labour Benches, of a group called first "Labour against the euro" and now "Labour for a European referendum". They consisted of the same people, including my hon. Friend the Member for Great Grimsby (Austin Mitchell), who made a fine speech today.

We now have the single currency, and the elephant in the room is the crisis in the eurozone. Members only have to read the *Financial Times* leader every day. I am not saying that the *Financial Times* is all-knowing and all-wise, but it is not yet convinced that the euro will survive. Indeed, sensible people are suggesting that we should be trying to find an orderly way to deconstruct the euro using these vast funds to do it in the most pain-free way possible. It might not be very pain-free, but at least it would be better than ploughing on into a massive crisis when things get out of control. Perhaps we need a controlled deconstruction of the euro for those countries that cannot sustain membership, and a new eurozone consisting of a smaller group of member states based around Germany, or indeed two or three different currencies for countries that can afford to work with each other.

Our former Prime Minister and Chancellor, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), had the great wisdom to stay out of the euro in the late 1990s. I cheered him then because he was absolutely right, and has been proved to be right. Had we not been able to depreciate by 25% or so, we would now be in the same state as Ireland—but probably worse. Separate currencies are essential shock absorbers. They should not be used lightly. I do not agree with volatile exchange rates: we need stable ones, as we had after the war, with the possibility of depreciation from time to time, and indeed appreciation if a currency is undervalued. Germany's currency, for example, was under-valued for a long time, which gave it a tremendous competitive advantage. The eurozone is the elephant in the room.

Sovereignty is important. I would like a stronger Bill than this one in which we can re-establish support for the democratic state and our own national sovereignty, not in a nationalistic way but because that is the basis of our democracy. I want the same degree of sovereignty for other nation states as well. I think that the nation state is the natural order of things, and trying to impose arrangements that bind nation states rigidly together will be fraught with problems and lead to disaster. I use this example time and again: Argentina effectively tried to join the dollar zone, and it almost destroyed its economy. In the end, it had to recreate the peso and devalue massively. Having been the strongest economy in south America, Argentina went through terrible times and still has not quite recovered. Single currencies imposed on different economies are always mistakes, and that is what has happened in the eurozone.

Edward Heath, when in opposition, sat near to where I now sit in the Chamber. He argued strongly against enlargement—I am not suggesting I agreed or disagreed with him—because he thought that countries that were too different would not be able co-operate within the EU. He wanted to stay in a smaller group of richer, western European nations. That is what Edward Heath was in favour of; he was not in favour of the much larger organisation that is now developing, involving countries with very different economies and, indeed, different traditions. He will perhaps be looking down with interest from wherever he is now and saying, "Well, I was right after all, wasn't I?" It does not work if we try to impose things on very different economies.

Those are the points that ought to be borne in mind, and the major problem that the European Union has at the moment.

8.20 pm

Mr James Clappison (Hertsmere) (Con): It is a great pleasure to follow the hon. Member for Luton North (Kelvin Hopkins). The sentiments that he expressed—a feeling of disconnection with the European Union, concerns about its lack of accountability, and even a feeling of crisis in the European Union—are ones that we have heard throughout this debate. That is not something that has been invented by parts of my party or got up by the press; it is a deep-seated feeling across parties and among voters of all parties.

To be fair to those of my party on the Front Bench, they tried to respond to that in the general election. It was no doubt with concern about Europe in mind that

[Mr James Clappison]

they made the following promise, which they were right to make, in the manifesto, on which I was proud to stand, just as every other Member of my party did:

"We will be positive members of the European Union but we are clear that there should be no further extension of the EU's power over the UK without the British people's consent…We will work to bring back key powers over legal rights, criminal justice and social and employment legislation to the UK."

That was described in the Conservative manifesto as a liberal Conservative policy, and it is indeed in accordance with the tenets of classical liberalism. However, since then we have actually had a Liberal-Conservative policy.

I understand that, and I understand the reasons why it has come about. However, I am sure that my right hon. and hon. Friends will understand when I say to them that although I appreciate the fact of the coalition and the way in which it is working, I still hold to what was said in the manifesto, which I supported, and that I wish to accomplish the ends of that manifesto, particularly in respect of not allowing the extension of any further power to the EU, as well as repatriating existing powers—I thought that that would be a tall order, but it was worth trying. It is certainly still in order to seek to prevent any further extension of EU power. However, I am afraid that the Bill as it stands does not fully accomplish that end, and my hon. Friends would be testing my credulity if they claimed that it did.

Indeed, clause 18 does not even seek to do that. This is a matter of academic debate, but clause 18 is a restatement of the existing position—there are different academic views on that—and it certainly does not set out to stop any further transfer of power to the European Union. Nor, I would suggest, do the other parts of the Bill fully accomplish the end of preventing a transfer of power to the European Union, however many referendum locks they contain, particularly in so far as they concern transfers of any further competences to the European Union. If one studies the list of competences that are already possessed by the European Union, as set out in the treaty of Lisbon, one can see that virtually every field of policy—indeed, every type of human activity—is covered by a competence of one type or another. Even where those competences do not give the European Union a law-making power—and in many cases they do—the European Union can still use the competences that it holds in other fields to make law and policy in those fields where it does not have a formal competence, and the European Commission, backed up by the European Court, has not been slow to do that.

The problem that we are faced with is that which the hon. Member for Vauxhall (Kate Hoey) described earlier: the drip, drip, drip of power to the European Union, through European directives, European regulations, all the soft law that comes from the European Union, and the new objectives that are set for the European Union, which influence policy makers. All that goes on as before. As far as the European Union is concerned, it is just business as usual. Those are the problems that we need to address, and although it is difficult to take them on, I would urge Ministers to do so.

Already in the lifetime of this Government we have seen transfers of power to the European Union that—I think I am right in saying—would not have been captured by the Bill's referendum provisions. Most people would understand a transfer of power in any ordinary sense to include giving the European Union power to set policy, or giving the European Commission the power to take initiatives or, most particularly, to make law. I am thinking in particular of the advent of the External Action Service, which has attracted so much bad publicity in this country. However, the External Action Service is bad for this country not just because it is extravagant—although it clearly is—but because it will act in such a way as to supplant British power and the exercise of independent British representations. I suspect that this is something that we will see more and more of in times to come.

We have also seen the Van Rompuy report on economic governance, which most people would see as a prospective transfer of power, in any ordinary sense of the word, to the European Union, framing, as it does, the criteria by which our economic policies are made and the guidelines that Governments must observe in their fiscal policies. The report also gives the European Union the power to impose sanctions on this country, in the form of placing it under certain procedures—not financial sanctions, but sanctions of other forms, which could be influential with policy makers. The report is certainly intended by the European Union to be an instrument of economic governance over this country, even though it is not a member of the eurozone.

We have also seen a significant transfer of power into the European so-called area of freedom, security and justice, caused by opting in to directives of the European Union in that area, even though this country had an opt-out from those policies—something that the previous Government said was the key difference between the constitutional treaty and the treaty of Lisbon. Now we are seeking to opt in. We have already opted in to six directives—two are very significant directives indeed—that give the European Union legislative authority over this country and, more importantly, give the European Court of Justice jurisdiction over our criminal procedure and criminal law. Those are all matters that are not covered by the Bill as it stands.

Mr Cash: Does my hon. Friend agree that this road map contains an almost continuous tsunami of arrangements of the kind that he has described, and that the net result is that we are going further and deeper into Europe the whole time, instead of the other way round?

Mr Clappison: I am afraid that my hon. Friend is correct. We are deepening and extending the jurisdiction of the European Court of Justice.

What to do about all this? There is one improvement that can be made to the Bill—an improvement that I put to my right hon. Friend the Foreign Secretary. It would be a great improvement on the Bill, and would be in keeping with what we have been saying about parliamentary democracy, if we made the exercise of the opt-ins subject to a vote in this House—something that does not take place at the moment, however heroic and detailed our efforts at European scrutiny are, as we cannot cause this House of Commons to have a vote on something of that nature. That would be easy for Ministers to agree to, and I cannot think of a good reason against it. My right hon. Friend said, "Well, there might be too many of these things," which rather bears out the point

that my hon. Friend the Member for Stone (Mr Cash) just made about the extent of the penetration of the European Union's jurisdiction. However, the fact that things might take up too much of the House's time is not a sufficient reason not to have a vote—perish the thought!—on such matters. I remind my right hon. and hon. Friends that we specifically promised in our manifesto to allow Parliament more time to scrutinise legislation. My proposal would be in keeping with that, which would be a good thing.

It would also be appropriate for Ministers to consider amendments to the provisions dealing with the question of significance, because at the moment, whether we have a referendum under the circumstances detailed in the Bill depends on whether Ministers think they are significant enough. What a thing! Ministers are to decide whether something is significant enough, and the explanatory notes to the Bill then tell us that anyone who is aggrieved by such a decision should go off to the courts to seek a judicial review. What on earth is Parliament for? Are we not allowed to hold Ministers to account as well? Are we now going to have to subcontract that to the courts?

Kelvin Hopkins: This reminds me of when, late in the progress of the Freedom of Information Bill, a clause was suddenly introduced that stated that there could be freedom of information unless a Minister said no. It was to be left to the discretion of a Minister whether something could be covered by freedom of information legislation.

Mr Clappison: This is a test for my right hon. and hon. Friends, and I hope that they will listen to the case for certain amendments. I hope that, rather than seeking to drive the Bill through unamended, they will try to improve it. I believe that we can do that by building on what is already in it and, in so doing, restore the authority of this House. That is what this is really all about. We need to restore the authority of the House, because our right to self-governance and our parliamentary sovereignty have been systematically stripped away by the European Union over the years. So far, everything that has been described as a safeguard to prevent that from happening and a solution to the problem has turned out to be false.

First, there was the promise that we would have voting only by unanimity. That was the original promise in the literature delivered to every household when we originally went into the European Union. Then we had the pillar structure, which has long since crumbled to dust and become part of the main European structure. We then had the pledge of subsidiarity, but we do not hear so much about that these days. I remember being told, during the passage of previous Bills 10 to 15 years ago, that subsidiarity was going to be the solution to the problem, but nobody talks about it now. The only example of the exercise of subsidiarity by the European Commission has been in relation to the zoos directive, so I am pleased that at least some of our fellow creatures have benefited from the doctrine of subsidiarity.

I hope that this Bill does not go the same way as all those other failed attempts to solve the problem, in which Ministers have gone around saying, "This is the solution. We do not need to worry any more about Europe. There is no problem about the constant transfer of powers to the European Union—we have put a stop to it." Rather than simply seeking to drive the Bill through the House of Commons, I hope that Ministers will listen to the case for improving the Bill with properly tabled amendments. We could make this a better Bill but, as things stand, we have the continuing problem of parliamentary self-governance being stripped away by the European Union. I do not want to say that we have hung up a sign that says "Business as usual" to the European Union; I hope that we can do a bit better than that. Certainly, as far as the transfer of new powers is concerned, we should put up the "Closed" sign to the European Union.

8.31 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): As far as the term "business as usual" is concerned, I must ruefully reflect that it is business as usual in this House, as we are again discussing this interminable topic. It has occupied many thousands of hours of discussion since I was elected in 1992, and many thousands more before that. It is perhaps amusing and depressing to see how little some things change while the pace of European integration seems uninterrupted by whatever votes take place, whatever arguments occur and whatever crises erupt. The present crisis over the governance of the euro is a case in point. The architects of the Maastricht treaty, far from accepting that they have been proved wrong by events, are seizing on the chaos to strengthen the hold of the centre over the rest of Europe, accelerating the pace of integration as a result.

I am bound to ask, as should we all, whether the scene that we observe in the Chamber today was really what my right hon. Friend the Foreign Secretary envisaged when he came up with the brilliant idea of a referendum lock at the Conservative conference in 2009. At that time, I think what he saw looming was the imminence of the ratification of the Lisbon treaty, and the difficulty of holding a referendum on a treaty that had already been ratified. He was looking for something to throw to the crowd, and his idea got a wonderful round of applause at the conference. Little can he have imagined, however, that that simple promise would give rise to a Bill of such byzantine complexity. It has not been universally welcomed in the Chamber, although, knowing the way in which this place works, I suspect that it will find its way into Committee. No one, with the exception of a few aficionados, can have imagined what a mess the future Government were getting themselves into by making such an apparently simple pledge. As recently as 1 November, the Prime Minister told the House:

> "I would grant a referendum if there were any proposed transfer of powers from Westminster to Brussels." [*Official Report*, 1 November 2010; Vol. 517, c. 625.]

My hon. Friend the Member for Hertsmere (Mr Clappison) made an illuminating speech, pointing out that certain transfers of power are not included in the Bill. The reason why they are not included is either that the Government have already made those transfers and do not want to admit that they should have been made more accountable to this House, or that they intend to make further transfers and do not want to get caught up in the potential for litigation. I would be grateful if my hon. Friend the Minister for Europe made it clear in his summing-up speech when he expects the provisions to come into force. My understanding is that whatever is in this Bill is no intended to apply to

[Mr Bernard Jenkin]

this Parliament, but to the next one. I see the Minister nodding. It would be a bit embarrassing to legislate for the next Parliament and create a trap for a future Government that the current Government would not accept for their own behaviour. I guess that that is why these lacunas exist.

The crunch is that it all depends on what is meant by power. A child can have power over its parent, even though it does not have any sovereign or legislative authority. Power has a fluid quality to it: it cannot be held; it travels to people with influence. Power is clearly leeching away from our kingdom and this House, even though I believe that this House remains absolutely sovereign. The fact of power, where it is exercised, and the constraints that it makes people feel when it is exercised, is clearly having an effect.

Two simple tests can be applied to the Bill. The Foreign Secretary himself says that the Lisbon settlement lacks democratic legitimacy, so we should ask ourselves whether this Bill adds to the democratic legitimacy of the settlement between the United Kingdom and the European Union. The answer is that it does not affect it. It affects what might happen in future—we can argue about that, and some argue that it might have a greater effect than expected and that the courts might have to decide how much effect it will have—but it does not constitute a lock, as my hon. Friend the Member for Clacton (Mr Carswell) pointed out, because no Parliament can bind its successor. Whatever is in the Bill can be amended or repealed by a future Parliament. It is not really a lock, but it does not affect anything that has gone before.

The sovereignty clause provides another case in point. In fact, despite the Government's repeated reference to it as such, it is not a sovereignty cause. It does not contain the word "sovereignty" or "sovereign" and it does not use the words "supremacy" or "primacy". It merely provides an historical account of what happened—that there was an Act of Parliament, which is how the European Union's laws apply in this kingdom. It has no effect whatever.

Let me cite the evidence given to the European Scrutiny Committee. Professor Adam Tomkins gave advice that was accepted by the all-party Select Committee. He said:

> "Neither clause 18 nor any other provision in the Bill safeguards the United Kingdom from the further development of EU law by the ECJ."

Now the ECJ, that really is power! How is this House going to regulate the power of the European Court to expand competence and reinterpret the competences of the European Union as it has done down the ages? Well, of course, it cannot. I was touched by the faith in the Bill expressed by my right hon. Friend the Member for Charnwood (Mr Dorrell), but as Professor Tomkins also said on the limitations of clause 18:

> "If this is the attempt by the UK Parliament to reassert or reclaim some kind of sovereignty in the face of the European competence creep, it 'don't do what it says on the tin.'"

I am afraid that the Minister has to face that.

In my last minute or two, let me move on to the second test of the Bill. Is it really in the national interest; does it address the national interest? I would regard the Bill as almost wholly irrelevant to the national interest. The hon. Member for Ilford South (Mike Gapes) pointed out that we should be talking about the rise of China and how we are going to do business with India. We really are contemplating our navels as we discuss this Bill. As the recent Public Administration Committee report says, what we need is a reassessment of our national interest with regard to our membership of the European Union. I do not advocate an "in or out" referendum, but I think that we need to start reassessing whether our current terms of membership are in our national interest and then to start working out how we should alter them to reflect our national interest.

The problem with this Bill is that it neither addresses the democratic legitimacy—or the lack of it—in the current settlement, nor stops the flow of power to the European Union. As we are talking about democratic legitimacy, I should say that that flow takes power away from democracies and gives it to something else, because whatever the European Union is, it ain't a democracy. The Bill fails to address our national interests and it reflects the muddle that the Government have got themselves into because, as we have heard, the prime purpose of this Bill is political; it was designed to appease sentiment in the absence of a referendum on all the treaties where we should have had referendums: the Maastricht, Nice and Amsterdam treaties, as well as the Lisbon treaty. The Bill will fail to reassure people and will fail to address the increasing disconnect that people feel, not from the European Union, but from the governance of their own country by their own democratically elected representatives. Dealing with that is the real challenge that we face, because that is about despair about us in this place.

Mr Deputy Speaker (Mr Lindsay Hoyle): Before I call the next speaker, may I say that I am trying to get 11 Members in and I presume that the Front-Bench spokespeople will want 15 minutes each? We can work the sums out for ourselves, but I ask for a little haste and for hon. Members not to take as much time.

8.41 pm

Martin Vickers (Cleethorpes) (Con): I shall be as brief as possible, Mr Deputy Speaker. You will be pleased to learn that I have already crossed off my list a few points that other hon. Members have made. A short while ago, I heard a speech given by my own Member of Parliament, the hon. Member for Great Grimsby (Austin Mitchell). He and I have shared common cause in our fights against the EU over the years, and only a few weeks ago we marched through the Lobby together saying, "North-east Lincolnshire against Europe." He opposes this Bill because he says that it does not go far enough, but I am going to support it because it goes some of the way towards what I would like to see. I am no friend of the EU.

We were given a bit of a history lesson by the hon. Member for Luton North (Kelvin Hopkins) a short while ago. He was reminiscing about his part in the 1975 referendum and I, too, am sadly old enough to have participated in that campaign. Hon. Members will recall that my party was very pro-European at that time, and I must tell the House that I was a rebellious young Conservative who drove around with "No to the Common

Market"—as it was then—on my battered Austin 1100. For many years I would have described myself as "anti-European", but I would now say that I am "a Eurosceptic". One can go on fighting the same battles for only so long. I concluded some time ago that the only Governments likely to be elected were going to be Conservative, Labour or some combination involving one of those two and the Liberal Democrats. Being realistic, none of those were going to achieve what I would like to see, which is withdrawal from the EU. That may change and I hope it does, because I agree with the earlier comments that the nation state is the natural unit of government—long may that continue.

However, we are where we are. I speak for my constituents when I say that, in general, they are very much opposed to EU membership. Grimsby and Cleethorpes are geographically one town, although they have their own identities. The scars from the fishing negotiations run deep, and we recognise that Mr Heath's Government sacrificed the deep-sea fishing industry in those negotiations in the early 1970s. On membership, an instant reaction among my constituents would almost certainly be, "We want out." Perhaps the more reflective view might be, "We might just about get a majority to stay in."

The big failing of successive Governments has been their reluctance to secure popular support—preferably, in a referendum—for the various treaties and moves towards more integration. We would probably still be in exactly the same position, although a week or two ago I discussed this matter with my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) and he pointed out that we might have got a "no" result in a referendum on Maastricht. We need to correct the mistakes of the past and repatriate more of our powers, and I hope we will make some moves towards that in the not-too-distant future.

The Bill talks about "significant changes", so I acknowledge that we shall have endless dancing on a pinhead and legal decisions about what is "significant". In an ideal world, I would go further than the Bill, but the important thing is that if in future, if Governments wriggle, duck and dive in their interpretation in order to avoid a referendum, they will suffer the same fate as the previous Government, who argued that a constitution was not a constitution and were discredited in the eyes of the public.

We should accept the fact that the EU is a political project. There is nothing wrong with that, but I do not happen to agree with the destination of the project. Ultimately, irrespective of any court decision, a decision about whether we remain in or leave the EU will be a political one.

The Bill as it stands is not perfect. I would like it to go further, but it is better than nothing and I shall certainly be in the Lobby to support the Government.

8.46 pm

Jacob Rees-Mogg (North East Somerset) (Con): I, too, will support the Bill at this stage, although I was deeply concerned by what my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) said about its not being introduced, for the main part, until after this Parliament has been completed. If that is correct—I hope the Minister will give us some comfort on that point—the whole of this exercise is entirely pointless.

Mr Jenkin: The Minister nodded at that point in my speech, and I accepted that as an indication of assent.

Jacob Rees-Mogg *rose*

Mr Lidington: May I make it clear that I nodded to indicate that I would respond to my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) in my concluding remarks?

Jacob Rees-Mogg: I would not wish to anticipate the excitement that we all hold for the Minister's speech on that crucial point.

The Bill is important and broadly good. Let us be absolutely clear that there are many of us on the Government Benches, and on the Opposition Benches, who want powers to be brought back from the European Union. The European Union is a state in decay. It is rotten at its very core. It is corrupt. It is dishonest. It is bullying. It has a currency that is failing as I speak, a currency that is bankrupting several of its nations and putting ruinous conditions on Ireland, Portugal and Greece—and the Spanish and the Italians will follow.

The European Union has not been in British interests. It is not the common market that people expected it to be and we need root-and-branch reform. I know that we are in a coalition and that we have made concessions to our coalition partners, as they have made concessions to us. They have not yet realised how dreadful the European Union is, but as one hon. Member said to me earlier, "The more they get to know about it the worse they will know that it is."

Let us look in detail at this Bill and at why it is welcome as far as it goes. The element on the referendum is very important and I was delighted that Vernon Bogdanor, the extremely distinguished constitutional historian, quoted John Locke in his evidence to the European Scrutiny Committee. My delight is all the greater because John Locke grew up in Belluton, which, as right hon. and hon. Members know, is a village in North East Somerset. John Locke said in his "Second Treatise of Government":

> "The Legislative cannot transfer the power of making laws to any other hands. For it being but a delegated power from the People, they who have it cannot pass it to others".

That is the essence of our constitution.

People talk learnedly about the sovereignty of Parliament, but what do they really mean and where does it come from? I think this was all settled in the 17th century. There were two choices: one was that sovereignty came from God and was given to the King, and the other was that it came from the people and moved upwards and that it was borrowed by Parliament for a period. The sovereignty of Parliament is a great thing. We should bear in mind that the Supreme Court is established by Parliament, as are the very monarchy and the laws of succession. That precious sovereignty is ours not because we are the great and good of the land, or because we sit on green Benches in a fine Palace, but because the British people have given it to us for a period, and we may not bind it or give it away. We may not give it to Europe or the United Nations; only the British people can do that, and they must have a referendum lock on it.

We heard a characteristically well-phrased speech from the hon. Member for Rhondda (Chris Bryant). He was concerned that the Bill would not provide a lock because it could be repealed by subsequent Parliaments.

[Jacob Rees-Mogg]

That is true, of course, but a lock can be unlocked if one has the right key, and the key will be the considerable political capital that would be expended by any Government who wished to remove, dilute or give away the power of the sovereign British people. So, the lock is worth while. There has been an interesting development in law about constitutional Acts having a higher standing than ordinary Acts, and the European Communities Act 1972 is considered to be such an Act, as Lord Laws mentioned in the Thoburn case. If that is right, I hope we will get some guidance from Her Majesty's Government on whether the Bill would be a constitutional Act that could not be subject simply to implied repeal but would have to be repealed directly. The referendum lock is important and beneficial even though it is not enough in terms of our relationship with the EU.

Clause 18 affirms the sovereignty of Parliament and provides that we allow European law to take effect only because of the 1972 European Communities Act. I welcome the clause, but it was a matter of great dispute among much more learned people than me during the European Scrutiny Committee's deliberations. I welcome it because of the nature of our constitution, which evolves without things necessarily being written down. We discussed this issue during Committee deliberations on the Fixed-Term Parliaments Bill. There are things that the sovereign could do by royal prerogative that are so unlikely and improbable, because they have not been done for so long, that they have fallen into disuse and effective decay. My worry is that without this clause, the 1972 Act might be viewed as one that cannot be amended or repealed and that we might get to a stage, perhaps in 50 years' time, when the courts hold that it is so important that it is of a different order of magnitude than any other statute.

Clause 18 turns the clock back, which is rather gratifying because we are told that the Tories never turn the clock back. Evelyn Waugh said that he voted Tory all his life expecting them to turn the clock back but that they did not put it back 10 minutes. On this occasion, we are putting it back by 38 years; we are resetting the constitutional position to where everyone would have known it was in 1972. I think that is important, even though I thoroughly accept the point made by many right hon. and hon. Members that it is not a complete statement of the whole theory of the sovereignty of Parliament. I hope that would be unnecessary because the sovereignty of Parliament comes from the British people and cannot be taken away, however much one says so.

8.54 pm

Nick de Bois (Enfield North) (Con): I am privileged to follow my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), who does justice to the House, as he does justice to the sentiments that he expressed and the cause to which he spoke. That makes it harder for me to follow him. I realise that that is usually a challenge for Members, but I will do my best.

I echo my hon. Friend's sentiment and I will support the Bill because I regard it as the first serious attempt to stop the erosion of power from Westminster to Brussels. I say "serious" because it is legislation before the House, and I say "attempt" because I recognise that it does not go as far as I and other Members might like. EU interference has dogged us for many years. We as a sovereign nation have been bled dry of powers, which has increased the frustration of the public with an institution that is so remote yet so influential on their lives.

I support the attempt to introduce a referendum lock. For too long, the people have been sidelined as dodgy deals are done and negotiated across Europe, stealing our sovereignty. How? It has been done through treaties such as Lisbon, Amsterdam and Nice. The previous Government handed over so many of our powers during the past 13 years. When the former Prime Minister, Tony Blair, said that he wanted to be at the heart of Europe, he was not kidding. He effected one of the most powerful transplants ever of so much power to Europe from Britain. We all sensed the betrayal that the British people felt as a result of the Lisbon treaty.

The Bill moves to give Parliament more say over Europe. The Government will have the opportunity to pass primary legislation before we have more self-amending clauses. There is good stuff in the Bill. As for sovereignty and clause 18, I know that there are many learned Members in the House and I dare not question their judgment, but when lawyers say to me that something is enshrined in common law, I am immediately concerned that common law and precedent mean that it could change over time. I have no problem with an attempt to establish clause 18, but I acknowledge, as my hon. Friend the Member for Stone (Mr Cash) said, that it carries some risk with lawyers in the future.

My main concern is that the Bill may be seen as the end of a process, rather than as the beginning of a process to ensure that the present or any future Government cannot continue to transfer powers to the EU. My hon. Friend the Member for South Dorset (Richard Drax) spoke eloquently of wiggle room. There is wiggle room in the Bill, and that is not good because we are attempting not just to pass a Bill, but to rebuild trust between the British people and the Government by challenging the transfer of powers in our relationship with Europe.

The existence of wiggle room raises the question of who decides what is material and what is not. Ministers clearly have the right to determine what constitutes a transfer of powers, and mechanisms spelled out in the Bill make it clear in many cases what constitutes a transfer of powers, but it is the little grey areas of wiggle room that are, in effect, a Trojan horse that can be exploited and undermine the genuine attempts of the Bill to protect any transfer of power.

I tried to apply a test. Had the Bill been in place when the European arrest warrant was introduced, would we have had a referendum on a significant directive from Europe? I attempted to find out. I am grateful to the Minister's staff, who spent some time briefing me on the Bill. I raised the question, but I have to say that I am still confused—not because of their lack of effort, but because of the potential greyness surrounding the issue.

What is more illustrative of our sovereignty than the fact that the courts in an individual's own land cannot protect him, but could lead him to be extradited merely by ticking boxes in a process and undermining the right of a British court to pass judgment on him?

The Minister knows that, until recently, one of my constituents, Andrew Symeou, languished in jail for many months after being subjected to a European arrest

warrant, and the Minister is kindly trying to make representations to the Greek Government to assist him. The family keenly await any outcome, and I thank him for that. But my constituent would believe that the sovereign power of his country had not served him well by agreeing to transfer those powers outside the jurisdiction of our courts and to Europe. I think he would say that his Government had not protected him.

Will the Minister look closely at the wiggle room in the Bill and see how we can reconcile the conflicts that no doubt will lead to other issues over transfer of power? Yes, of course, issues can come to Committee, to scrutiny and to Parliament, but ultimately a Government can get their way, and however much we may protest, a Government may get a motion through and the people will not have had their say in a referendum on a transfer of powers.

I sympathise with my hon. Friend the Member for Clacton (Mr Carswell) when he suggests that we may be shutting the gate after the horse has bolted, but on balance that would not be a reason to oppose the Bill, because it marks a massive step forward for Britain and her relationship with Europe. It is a confidence-building measure for the British people in their relationship with what can only be described as an empire-building EU, and it is an important marker in the sand for this coalition Government to rebuild trust with the British people. We must not breach that trust.

Decisions have been remote from the British people. Yes, Parliament does have more say. I accept that the Bill only draws a line under the past, but it still leaves the future somewhat grey. It could be tightened further, and that is in the interests of constructive engagement, which I hope we will have the chance to debate at length in Committee, but I have no hesitation in supporting it, and I believe that my constituents will also seek to take advantage of engaging in future European debate if they have the opportunity to have their voice heard should the Bill be enacted.

9.2 pm

Chris Heaton-Harris (Daventry) (Con): I rise as a sinner, because I would like a referendum on Britain's future relationship with our European partners. As I am a former member of the European Parliament, that certainly makes me a sinner in the eyes of those out there. Many of the British people are sinners also. We all entered this European garden of Eden fully clothed, and now the British people feel that their clothes have been stolen by previous Governments of both colours, with their shirt finally having been stolen from their back by the last Labour Government when they gave away a huge part of our rebate. That is why we have the Bill.

It is fairly obvious to anyone who cares to ask our voters that they are really fed up with our relationship with the EU, and do not trust the European institutions. Equally, our voters have lost a huge amount of trust in the ability of British Governments trying, or even endeavouring to try, to stand up for our country.

Mr Swayne: This House voted not to have a referendum on the Lisbon treaty. If those of us who argued with the Minister, who continued to insist that it was merely an administrative tidying up, had only had the ability to go to judicial review, as this Bill allows, we would have been much better for it.

Chris Heaton-Harris: That is why the Bill is very important, and equally why it is dangerous to oversell what the Bill does.

Government Members have a number of qualms, as do Labour Members, about the sovereignty clause. Vernon Bogdanor, in his evidence to the European Scrutiny Committee, said:

"Although there is therefore a basic rationale for the European Union bill, it seems to me that its provisions are inconsistent with the declaratory clause insisting that Parliament is sovereign. Indeed, the purpose of the bill is unclear to me. A government will not provide for a referendum unless it wishes to support a proposal for treaty amendment or transfer of powers. If it is opposed to such a proposal, it can use its veto, since all matters to be made subject to the referendum require unanimity. The present government has indicated that it will not support any amendment or transfer of powers in this parliament. Therefore, the purpose of the bill must be to prevent a future government from supporting such an amendment or transfer without a referendum. The bill seeks, in other words, to bind a future government. That seems to me inconsistent with the declaratory proposition that Parliament is sovereign."

I should very much appreciate the Minister's thoughts on that piece of evidence.

The Minister kindly came to the European Scrutiny Committee yesterday and gave a tour de force on the outcomes that he expected from the Bill. He said that

"it delivers on what was in the coalition programme simply as an agreement to consider the case for a sovereignty Bill – that Bill is being introduced by the means of clause 18."

Yesterday, at the end of his speech, that was reduced to just a few words:

"Clause 18...is declaratory in intention and in substance."

May I suggest to the Minister that he must not oversell that clause? There is some value in clause 18 as a declaration, but it absolutely does not represent a sovereignty Bill.

My hon. Friend the Member for Hertsmere (Mr Clappison) made some salient points about justice and home affairs measures, which are a good example of what goes on in the European institutions. The Bill seemingly stops powers heading out to Europe in big chunks, but anyone experienced in such matters knows that European negotiators rarely try to swallow their prey whole. They would if they could, but to get past the public anger and angst that such huge transfers of power always cause they have long preferred to chop things up and to salami-slice: they chop away piece by piece, or sliver by sliver, until they reach their goal. Current justice and home affairs arrangements on the opt-in, opt-out basis receive little scrutiny, and the measure before us really put its finger on that.

The European public prosecutor, which is one of those proposals that triggers all the alarm bells in the Bill, simply cannot be introduced under this legislation without a referendum or the people having their say, but the European institutions desperately want it. As a member of the European Parliament, I was there at the start of the EPP debate in Brussels, and it evolved a little like this. Initially, the proposal was about introducing a common body of law in justice and home affairs, but it was not that important; it was just about protecting the Commission's raising of its own resources. The Commission raises money in many ways, one of which involves VAT, and one role of the anti-fraud office, OLAF, was to ensure that money did not disappear through theft, fraud or VAT avoidance. OLAF was meant to police the Commission's budget when the wise men set it up, but that story is for another day.

[Chris Heaton-Harris]

Let us say that OLAF did its job properly and got the authorities in Spain to arrest a British national for not paying VAT on smuggled cigarettes in Bulgaria. It is complicated to get all those authorities to investigate and co-ordinate arrests and prosecutions, so, the argument goes in Europe, we need a European arrest warrant, investigation orders and a whole lot more to make the process work. Before we know it, we have, through various justice and home affairs instruments, all the guts and the body of a European public prosecutor. Its creation would trigger a referendum under the Bill.

Can a current Minister, however, guarantee that a future Minister will not see that measure as a tidying-up exercise, or as just an insignificant power transfer with a European public prosecutor at the end? Can a current Minister guarantee what a future Minister will think is significant? Even if they are able to, will we get the British public to trust a Minister who says that? Not too long ago, a Minister for Europe suggested that the European charter on fundamental rights was of no more significance than *The Beano*. The Bill is for future use—not much good if no Government can bind their successors. But we are told that we do not need to worry about this Government, as under them there will not be any transfer of power to Europe.

Yesterday, when giving evidence on the Bill, the Minister for Europe told the European Scrutiny Committee—this was confirmed today by answers to questions that my hon. Friend the Member for Hertsmere asked the Secretary of State—that up to 40 justice and home affairs measures might be passed through the channels of Government in any given year. That is an awful lot. The Secretary of State said that those could take time to investigate. Yesterday, the Minister told us that

"there is a strict time limit attached to our opt-in on these measures—that we have to take a decision within three months. It takes the Government, through interdepartmental consultation, some time to work out what their own assessment of a particular measure is once it is published."

That causes a problem, because it means that there is no time in the parliamentary timetable for us to investigate those measures properly.

What does the Bill do? It might not tickle the fancy of my fellow Eurosceptics, but I am sure that, when looking at the next area of policy from which to grab power, the Commission negotiators will have at the back of their minds a worry that at one point the British people might have a say about what they are trying to do. As has been described in so many books, they knew in the past that a friendly chat with close friends at the Foreign Office could mean a little less excitement down the line.

At the beginning of my remarks, I described how the British public and British politicians had entered the European garden of Eden fully clothed, only to find that over a period of years we had been stripped. Although I appreciate that the Bill is just a fig leaf, I will happily vote for it because it covers a tiny piece of our modesty.

9.11 pm

Neil Parish (Tiverton and Honiton) (Con): I very much welcome my right hon. Friend the Foreign Secretary's Bill. Like my hon. Friend the Member for Daventry (Chris Heaton-Harris), I spent 10 years in the European Parliament. *[Interruption.]* Yes, I sinned too; tonight is a night of confession.

Seriously, over those 10 years we saw powers being transferred from the House to Brussels. I saw Tony Blair negotiate an increase in the budget of the European Union and give away part of our rebate, worth billions of pounds—and what for? A so-called reform in the common agricultural policy further down the road. Of course, when we got further down the road, there was no reform of the CAP; by then, the European Union had the money and was moving forward.

It is absolutely right that we should have this sovereignty Bill to curb the powers of the European Union. The people of this country are absolutely fed up of with a one-way street from Westminster to Brussels. That is why the Bill is so important.

Yes, the Bill probably does not go as far as many of us would like, but at least we are stopping the flow. It is no good for shadow Ministers to wind us up by saying that the Bill is just to placate the Eurosceptics. I suggest that if the Labour party had been a bit more Eurosceptic when it was in power, we would not be in this position now. The Lisbon treaty was basically the European constitution, but wrapped in different wrapping paper. However, because of that, the Labour party said that we would no longer have a referendum on it and the people of this country were denied one.

Now is the time to support the Bill and bring powers back. Provisions such as the social chapter, to which Tony Blair signed up, have brought all the working time directives and all the bureaucracy that ties up our businesses and stops us going forward as an economy. In time, after this, all those things will have to be pulled back to make sure that, in the end, this Parliament is sovereign and that we are not dictated to by Brussels.

9.13 pm

Priti Patel (Witham) (Con): The significance of the Bill cannot be ignored. I say that following the disgraceful way in which the previous Government and Members on the now-empty Opposition Benches denied the British public a referendum on the Lisbon treaty. I desperately hope that this Bill will reassure my constituents and the rest of the British public that that will never happen again. I congratulate the Foreign Secretary on bringing forward the Bill in the Government's first year in office. It has been a long time coming, and it is a positive step in the right direction. However, a number areas in the Bill need to be strengthened to defend the interests of the British and truly guarantee the sovereignty of this nation. We have already heard some of the arguments on that this afternoon.

The Bill needs more clarity over exactly what transfer of powers would trigger a referendum. It needs to go further in guaranteeing our red lines and in demonstrating a full commitment to repatriating powers from Brussels. It also needs to enhance the transparency and accountability of anything that involves the EU. As it stands, there is considerable uncertainty about how the Bill will function in practice.

I would like greater clarity in the exemptions referred to in clause 2 and the significant condition mentioned in clause 3. Clearly those provisions offer a Minister what I call a get-out-of-referendum-free card. I do not

believe that any Conservative Minister in the current Government would seek to pull the wool over the eyes of this Parliament and the British public by abusing that clause. However, let us not forget that it was not so long ago that this country had a pro-European Government who were blinded so much by the taxpayer-funded propaganda of the European project that they neglected the British interest.

Under the previous Government, the rebate was sacrificed and power was scandalously surrendered under the Lisbon treaty. Even with the referendum lock outlined in the Bill, it remains possible for a future Government to hand more powers over to Brussels through the back door. Clause 3 states that an Act could be passed by Parliament – thereby bypassing the need for a referendum – by stating that the transfer of powers was "not significant" in its impact on the United Kingdom. That is a highly subjective test that would be based on the recommendation of Ministers.

Some of the EU's areas of exclusive competence and shared competence are so worryingly generic that it would be a legal minefield to assess which policies may require a referendum. We have already seen the controversy over the European investigation order. On justice and home affairs, we may be guaranteed a referendum on the establishment of the European public prosecutor, but there is no such commitment given on the actions that Eurojust could take.

What would happen if a future Government decided to give up the 12 and 6-mile fishery limits? Under the Lisbon treaty, the EU already has competence for fisheries and marine biological resources. If proposals come forward from the Commission to remove or amend the controls that Britain can currently exercise within those limits, that could be done without the British public having a vote. Our fishing communities would be left devastated if the regulation was revised to remove the limits. However, there is no guarantee that the limits would be protected by the referendum lock.

It is also possible that, over the course of a Parliament, a Government could transfer a number of powers that individually may not be perceived as being significant enough to warrant a referendum but that, taken as a whole, could be highly significant over a period of time.

Ms Louise Bagshawe (Corby) (Con): My hon. Friend is making an excellent speech and is raising a number of excellent points. I particularly agree with her on the issue of salami-slicing, which was mentioned by my hon. Friend the Member for Daventry (Chris Heaton-Harris). Does she agree that it is absolutely necessary for the language to be tightened up in Committee, given that the previous Labour Government were able to come to this House and state that the Lisbon treaty was not the same as the European constitution? How much easier would it have been for them to state that something was not significant when it was significant?

Priti Patel: I thank my hon. Friend for her intervention. I absolutely agree. We cannot have any grey areas – areas where subjectivity can come back into the decision-making process whatever.

We should remember that it is not just a referendum or adverse, ignorant and reckless government that could further threaten the sovereignty and primacy of our Parliament. Despite the principles behind the Bill, the authority of this Parliament can still be undermined by the bureaucrats and the judges in Brussels. As we have already heard, clause 13 may well confirm that the presence of EU law in this country is dependent upon an Act of Parliament. However, as we know from case law, the text of the Lisbon treaty and on the basis of treaties, EU law holds primacy over that of the laws of member states. In other words, where there is a conflict, EU law will always prevail.

That leads me to question what would happen if the EU decided to challenge the legitimacy of this country holding a referendum on an issue, or if the Commission disagreed with the view of the UK on the extent to which an EU decision affected this country. The judges in Brussels could look at the treaties and pass a judgment that denied the British people a referendum. That would be thoroughly undemocratic. We should guarantee the supremacy of this Parliament when it comes to making laws in this country.

This Bill is a welcome step, but it could have gone much further and contained stronger measures to bring democratic control back to Britain and to safeguard against what I would call competence creep. Many Members of this House know that Europe has already gone much too far in taking powers away from Britain without the consent of the British public, and we are now at a point in our history where the overwhelming consensus among the population is that we need less EU and more Britain. Under this legislation, I would like Ministers to go further to address the situation and come forward with a list of EU laws that should be revoked or disapplied to the UK to defend our national interests and our sovereignty. I do not believe that it is beyond the ability of the parliamentary draftsman to improve the Bill and empower Ministers in this Government to go to Brussels with a mandate to repatriate powers from the EU and return them to their rightful place in this country and to this sovereign House.

The sentiment behind the Bill is right, but it needs to be improved truly to reflect the sovereignty and primacy of this Parliament and the independence of our country, and, importantly, to put Britain's interests first.

9.21 pm

Mr Robert Buckland (South Swindon) (Con): As my hon. Friend the Member for Witham (Priti Patel) said, this Bill comes at a very interesting time in our history, particularly the history of our relations with what is now the European Union. I was very much taken with the speech of my hon. Friend the Member for Richmond Park (Zac Goldsmith), who described Britain's relations with the EU as being the opposite of a flirt. I beg to differ with him on that. My view of Britain's relations with the EU is quite simple: for years, we said no, then we said "Can we come in?", and then we said yes.

Frankly, in treaty negotiation after treaty negotiation, we have been the thorn in the side of other member states. I think particularly of the drawn-out negotiations that took place at Maastricht and, indeed, after Maastricht, where Britain secured some important opt-outs, notably on economic and monetary union, which then became the euro, and the social chapter, into which the last Labour Government wrongly brought us. It is interesting that the Labour Benches are largely empty. That is symbolic of Labour Members' attitude to the EU, which is a mixture of ignorance, indifference and their completely supine nature in negotiations on Europe.

[Mr Robert Buckland]

I do not stand here as somebody who could be described as a dyed-in-the-wool Eurosceptic. In the tradition of my party, I would be described as pro-European Union. I make no apology for that whatsoever. It is because I am pro-European Union that I support this Bill, because I am also pro-democracy and transparency. The age in which the great and good could decide and determine the future of Europe in smoke-filled rooms—or air-conditioned rooms, as I should now call them—is, I hope, long gone. This Bill represents the beginning of the end of that sort of approach, because it brings transparency to proceedings.

I was interested in the remarks of my hon. Friend the Member for Witham, who spoke eloquently about clause 3. She was right to make the point about ministerial discretion, but the clause makes it a conjunctive condition that an Act of Parliament has to be passed by this House. That is important because it will bring fairly and squarely before this House the sort of details that all too often in the past would have been the subject of covert negotiation. That is no longer acceptable to the people of this country. They no longer want decisions to be imposed upon them; they want to have an active role in decisions and to ensure that their elected representatives or they themselves have a direct say in important transfers of power to Europe. I support that, because as a pro-European Conservative who has taken part in many debates within my party—I concede that I have lost more than I have won—I am a firm believer in democracy.

Any institution that seeks to impose its will on its people without consent deserves to fail and the European Union is no exception. The great divide in Europe is no longer between member states; it is between its leaders and its people. That is why the Bill represents an important step forward and I am happy to support it.

9.26 pm

Andrew Bridgen (North West Leicestershire) (Con): I am mindful of the time constraints on speeches, Mr Deputy Speaker, so that all hon. Members can participate.

I welcome the European Union Bill and the concept of the referendum lock. After so many years of broken promises on Europe, the Bill is essential to regain the trust of the people and to give them faith that the EU will not continue to gain powers from this country. It has always been my opinion that the sovereignty of the country belongs to the people, and that they, not politicians, should make the decision on whether it is transferred to other bodies or countries.

Should justice and home affairs not be subject to the referendum lock? Many of my constituents find justice rulings the most frustrating aspect of our EU membership. The recent ruling that gave prisoners the right to vote, after a convicted murderer appealed successfully to the European Court of Human Rights, is just the latest example of the EU overruling the will of the British Parliament and its people.

Although I support the principle and aims of the Bill, one word that concerns me greatly is "significant". My concern can be summed up by adapting a famous Sir Humphrey Appleby statement: "Anything can be attacked as a loss of sovereignty, and almost anything can be defended as not a significant loss of sovereignty, which seems to signify that one should appreciate the significance of significant." What impact does the term "significant" have in the Bill? It could be argued that a future Government would find it difficult to amend something that would not fall under the significance condition. They could claim that the referendum requirement was too rigid and disproportionate to a treaty change that was sought. I also believe that it would be politically courageous for a future Government to remove the referendum lock from the statute book. This should therefore be a permanent piece of legislation. What constitutes significance needs far more definition so that the Bill is not seen merely as a sop to Eurosceptic Back Benchers, of whom I count myself one, but as a genuine change in the way in which we view the sovereignty of our country.

It should not be the Executive who decide what is significant. At the very least, Parliament should dictate what is a significant transfer of power. I refer back to my maiden speech, in which I said that as MPs

> "we must not consider ourselves to be the owners of sovereign powers. We are merely the custodians of power and sovereignty for future generations. Sovereignty is not ours to give away; it belongs to the people who elected us, and to their heirs and successors." [*Official Report*, 3 June 2010; Vol. 510, c. 654.]

I intend to support the Bill this evening, but I issue a warning to my right hon. and hon. Friends on the Front Bench. I and many hon. Members will not stand idly by and witness the death of our country's sovereignty, bled away by a thousand cuts, however small, that some may think insignificant.

9.29 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a great pleasure to speak on Second Reading, and I will cut to the chase given that I know one more colleague wishes to speak before the Front Benchers.

There is a lot to commend in the Bill, and I will vote for it, but I wish to alert the Minister to some questions that I have posed previously. I hope that he can provide comfort, perhaps not tonight, but in Committee or by writing to me. After I had read the Bill, I thought it went further than I had expected from the coalition agreement. It does much of what we were told it would do by ensuring that ratchet clauses and passerelle clauses will be subject to a referendum. However, there seem to be a few exceptions, to which I wish to draw the House's attention.

Clause 9(2)(a) to (c) covers articles 81(3), relating to family law, 82(2)(d), relating to criminal procedure, and 83(1), relating to cross-border crime, of the treaty on the functioning of the European Union. Subsection (2)(c) permits

> "the identification of further areas of crime to which directives adopted under the ordinary legislative procedure may relate."

The word "further" indicates to me a transfer of competence or power on which we should have a say. I shall give one example. It could be that Europol is given powers to investigate more areas of crime, for instance in fishing, which might worry my hon. Friend the Member for Witham (Priti Patel). Such a change would not be covered by the need for a referendum. I believe that the Home Affairs Committee and the Select Committee on Justice are due to table several amendments, covering a

number of the passerelle clauses that are not currently guaranteed to cause a referendum, and I urge the Government to examine them carefully.

The Foreign Secretary said earlier that we are not giving up control of borders, but the accession treaties to which he referred automatically do that, because they extend the borders within which citizens of the European Union can circulate without hindrance.

As has been said, especially by my hon. Friend the Member for Daventry (Chris Heaton-Harris), it is really important that we are careful about the language that we use to describe the Bill and how we sell it. We certainly do not want to oversell it, as happened in the last Parliament when all three parties said that they would vote for a referendum on the European constitutional treaty but did not. The timing of the Bill is also relevant, and I believe that the Minister is going to talk about that.

There is one other key area in which no referendum is provided for, and it is set out in clause 7(2)(d). It refers to the third paragraph of article 311 of the treaty on the functioning of the EU, which is about own resources. That article states:

"The Council, acting in accordance with a special legislative procedure, shall unanimously and after consulting the European Parliament adopt a decision laying down the provisions relating to the system of own resources of the Union. In this context it may establish new categories of own resources or abolish an existing category."

In all the discussions about the Lisbon treaty, and about the European constitution before it, that was seen as one of the key articles that would allow the EU to levy its own taxes. When I raised the matter previously with the Minister he suggested that that would require unanimity in the Council of Ministers, and that I should not worry about it, especially under a Conservative coalition Government. However, I do worry about it, because the Bill is about trying to set up the law for the future.

Dare I say it, if the Bill had been in place under the last Government, I am sure that we would not have had a referendum even on the Lisbon treaty, given how it was sold to the UK Parliament as a mere tidying-up exercise. I will vote for the Bill tonight, but I ask the Minister to address my strong concerns about the British public. They do not want to be sold short, and they would be horrified to know that we might be voting for a Bill that would allow the EU to levy taxes, and that they would have no say.

I was three at the time of the last referendum on the EU, and ironically I do not want us to have a referendum in which the Government give away powers. However, it is important that the powers in the Bill are introduced soon to give the public confidence. Dare I put it in a way similar to my European parliamentary colleague Daniel Hannan? Pactio Europae censenda est.

9.34 pm

Mr Dominic Raab (Esher and Walton) (Con): I welcome the Bill. It needs some work before I will be in a position to support it on Third Reading, but it provides a base on which to build.

In the time available, I should like to make four points on the substance. First, many hon. Members said of the significance condition that "significant" is not defined. Given how the previous Government reneged on their promised referendum on the Lisbon treaty—Opposition Members who are finally returning to their seats will have heard that—it would be wise to legislate for the maximum certainty practicable. Will the Minister briefly set out the range of practical options presented by officials for catering with that residual uncertainty?

Secondly, on the selective list of policy areas that trigger a referendum, in 2014, the UK must decide whether to cross the Rubicon on an important justice and home affairs measure. We will need to decide whether to accept European Court of Justice jurisdiction over police and justice measures that pre-date the Lisbon treaty, or to opt out entirely. That is a monumental choice. Do we retain our British justice system, or do we embark on a road that leads to a pan-European model? Under the Bill, that decision would not trigger a referendum. On anyone's reckoning, that is a critical fork in the road, and it must be included in the list of matters that require a referendum, and the decision must be taken by the British people.

Thirdly—this is also on justice and home affairs—under the Bill, there are only a few matters on which Parliament must approve a decision to opt in. For example, the decision to opt in to the European investigation order would not require Parliament's approval. Immigration and asylum, on which the EU is driving forward far-reaching changes that will dilute our border controls if we opt in, are also left out. Each of those policy areas is important, and each requires proper parliamentary debate and approval before further powers are handed over to Brussels.

Fourthly and finally, the intention behind the declaration of parliamentary sovereignty in clause 18 is welcome. However, has the Minister considered the warning that Professor Tomkins gave to the European Scrutiny Committee? He highlighted the risk that by legislating to safeguard sovereignty solely in the context of the EU, the courts may infer that Parliament cares less about sovereignty in respect of, for example, the expansion of human rights law and judicial legislation from the Strasbourg Court. That is one more reason for replacing, or at the very least amending, the Human Rights Act 1998. More generally, the Bill does nothing to defend the erosion of sovereignty by the European Court of Justice, and is confined to legislative transfers of power.

That said, my cup is half full. This is a point of departure, not the point of arrival, and I commend the Government and Ministers for breaking new ground with the Bill.

9.37 pm

Mr Wayne David (Caerphilly) (Lab): Before the debate, a number of colleagues told me that the debate would be like the Bill—boring and uninteresting. They were wrong, at least about the debate, which has been wide-ranging, passionate, forensic in its analysis of the Bill, and conducted, by and large, in a reasonable manner. We heard more than 20 speakers. The right hon. Member for Charnwood (Mr Dorrell), and the hon. Members for South Thanet (Laura Sandys), for Enfield North (Nick de Bois), for Cleethorpes (Martin Vickers) and for North East Somerset (Jacob Rees-Mogg) spoke in favour of the Bill. A handful of hon. Members spoke against the EU rather than the Bill as such, but many, including my right hon. Friend the Member for Rotherham (Mr MacShane), my hon. Friends the Members for Rhondda (Chris Bryant), for Ilford South (Mike Gapes)

[Mr Wayne David]

and for Preston (Mark Hendrick), the right hon. Member for Wokingham (Mr Redwood) and the hon. Member for Hertsmere (Mr Clappison), expressed reservations—strong and not so strong—about the Bill.

I wanted to refer specifically to only three contributions. First, the hon. Member for Harwich and North Essex (Mr Jenkin) questioned whether the Bill was crudely political—he described it as a byzantine Bill. He asked when it will come into effect. Will the Minister respond to that? He also questioned, as did the hon. Member for Daventry (Chris Heaton-Harris), whether the Bill is an attempt, intentional or otherwise, to undermine the sovereignty of this and future Parliaments.

Secondly, the hon. Member for Westmorland and Lonsdale (Tim Farron), who by the way is a Liberal Democrat, said that the Bill is a firm example of a coalition product. I absolutely agree with him. The Bill is muddled and contradictory, and is indeed a fine example of the coalition product.

Thirdly, we heard a notable and informed contribution from the hon. Member for Stone (Mr Cash). He referred to the misleading explanatory notes and said that the Bill shows judicial activism on the march. He also said that it was an invitation to litigation and called it a mouse of a Bill—I would say it is more like a drowned rat.

There have been a number of common themes in the debate. Members on both sides of the House have highlighted the poor drafting of the Bill. It is unclear when a referendum would be held; it is unclear about when a passarelle would require an Act of Parliament or a referendum; and it is unclear whether the sovereignty clause adds anything to British law—it probably does not. The one thing that the Bill is clear about, however, is that it is a recipe for unending confusion. The Government promised red meat to their Eurosceptic Back Benchers, but what we actually have is a rancid old bone for us all to gnaw on.

The only people who will be happy with the Bill are the lawyers, who will revel in endless judicial reviews. The Bill is fundamentally flawed. It is a ham-fisted attempt to define our relationship with the European Union, but it fails to do so. Instead, we have a botched, esoteric, convoluted, obsessively intricate collection of ill-defined, half-baked, miasmic proposals—and that is just to start. The Bill will serve only to confuse and will satisfy and placate no one: it only underlines the confusion at the heart of the Government's European policy.

9.41 pm

The Minister for Europe (Mr David Lidington): I think that the brevity of the speech by the Labour spokesman, the hon. Member for Caerphilly (Mr David), is indicative of the absence of content in the Opposition's case today. We have heard from no less than the Leader of the Opposition that he regards his policies as a blank sheet of paper, and that is what we have heard from the hon. Gentleman this evening.

Like the hon. Gentleman, I want to pay tribute to every right hon. and hon. Member who has taken part in the debate, and I am glad that so many Members, on both sides of the House, have managed to participate. I want to respond briefly to a number of specific issues, and then move on to the questions about clause 18 and the referendum lock, which have occupied most of the debate. I might be unable to cover all the ground today, but I will look forward with relish to the five days of debate on the Bill on the Floor of the House—in Committee of the whole House and on Third Reading—in the new year.

My hon. Friends the Members for Harwich and North Essex (Mr Jenkin) and for Daventry (Chris Heaton-Harris) asked about the commencement of the Bill and whether it would take effect in the lifetime of this Parliament. As they know, the Government have made it clear, as a policy commitment, that we are not going to agree to any treaty change or new treaty that transfers additional powers or competences to the European Union for the duration of this Parliament. That is a policy commitment. Clause 21 provides for the commencement of the whole of part 3, including clause 18, on Royal Assent. The rest of the Bill comes

"into force on such day as the Secretary of State may...appoint."

To avoid any misunderstanding, however, I want to make it clear that the Government intend to use the provisions of the Bill for any future treaty change. The House will know that one such change is being contemplated now. We also expect to use the provisions on increased parliamentary control during the lifetime of the Parliament, because we expect that there will be some proposals, possibly including an agreement on a new multi-annual financial framework, that will trigger the need for an Act of Parliament under the terms of the Bill.

My hon. Friend the Member for Daventry also asked me whether it would be possible for a European prosecutor to be built up bit by bit, thereby avoiding a referendum. The Bill is very clear on that. The United Kingdom could not take part in either a European public prosecutor established under article 86.1 of the treaty or the extension of the powers of such a prosecutor, if set up, under article 86.4 without a referendum. As the treaty provides a specific treaty base for the establishment of a European public prosecutor, that action could not be taken on a different treaty base.

My hon. Friend the Member for Witham (Priti Patel) asked whether there would be any way for the European Union to prevent us from holding a referendum in this country. The answer to that question is no. There is nothing in the treaties that puts any constraints on the way in which the United Kingdom or any other member state decides how to cast its vote on a treaty amendment or a treaty change. The Bill sets out more stringent requirements before a British Minister can assent to something on behalf of this country at the European level. That is a matter for national law, not for European law.

Let me turn to the points made in particular by my hon. Friend the Member for Stone (Mr Cash), but also by a number of other hon. Ladies and Gentlemen, about clause 18. I want to be absolutely plain that the Government are not attempting through clause 18 to address the wider constitutional issue of the sovereignty of Parliament in the way alluded to by my hon. Friend the Member for Esher and Walton (Mr Raab) when he referred to the European convention on human rights and the Human Rights Act 1998, for example—or the sovereignty of Parliament and what that means in the context of the devolution settlements for Scotland, Wales and Northern Ireland.

What clause 18 does is more specific than that—this point was referred to by my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg). Clause 18 deals with the way in which European law, including judgments of the European Court of Justice, is given effect in this country. The clause asserts, for the first time in statutory form, what is already the position in common law as a consequence of decisions by various judges in leading cases: that there is only one reason why European law has effect in this country, and one reason too why, where the two clash, European law is given primacy over United Kingdom law, and that is because Acts of Parliament—notably, but not exclusively, the European Communities Act 1972—provide for such effect to be given to European law.

Mr Cash: Does my hon. Friend agree that the very fact that this provision is being included in statute inevitably means that the courts will have the opportunity to apply the common law principle and that therefore he cannot, by a speech in the House of Commons, restrict the manner in which the courts subsequently interpret the provision?

Mr Lidington: What I would say to my hon. Friend is that to some extent we are repeating the exchanges that we enjoyed in his Committee yesterday. Clause 18 places firmly on the statute book a point of reference to which any future court that considers an argument about the source of authority for European law in this country must have regard. My hon. Friend the Member for North East Somerset put it in terms of turning the clock back to 1972. As my hon. Friend the Member for Harwich and North Essex said in an intervention, it is not the case that the argument that European law derives its authority solely from Acts of Parliament has gone unchallenged. It was not only in the prosecution arguments in the metric martyrs case, but in the obiter from Lord Justices Steyn and Hope, to which he referred, that a very different case was asserted—namely that, over time, European law has acquired some kind of autonomous authority in this country. Hitherto, the United Kingdom courts have rejected that argument and upheld the doctrine that it is only through Acts of Parliament that European law has authority here. The clause will provide in statute for the first time a clear point of reference to which the courts must have regard.

Mr Jenkin: My hon. Friend is dealing carefully with the points that have been raised, but will he treat seriously the evidence given to the European Scrutiny Committee by Professor Tomkins? At the end of his written evidence, he stated:

> "If Parliament is of the view that its sovereignty requires to be freshly articulated and safeguarded in legislation, it would be well advised to proceed with great care and caution, lest the consequences of its actions come to be seen as the proverbial red rag to the bull."

I am not convinced that the clause, as drafted, would not be that red rag.

Mr Lidington: We debated this matter at great length in Committee in January. A number of the learned academics who gave evidence to the European Scrutiny Committee discussed parliamentary sovereignty in broad constitutional terms, rather than in terms of the precise objective of clause 18, which is to recapitulate in statutory form the means by which European law is given effect in the United Kingdom.

I want to make it clear from the start that we are talking about a referendum lock on future treaty changes that transfer powers or competence—in particular, powers involving the surrender of vetoes—and that we are not seeking to overturn the terms of existing treaties. I know that that will disappoint a number of Members on both sides of the House, but, as my right hon. Friend the Foreign Secretary said in his opening speech, we are in a legal environment established by the Lisbon treaty, even though some of us might wish that we were not, and we must start from the position that we are now in.

Mr Redwood: Will the Minister tell us whether he can conceive of any circumstances in which this Government would offer a referendum on any aspect of Europe?

Mr Lidington: I thought I had made that clear—*[Interruption.]* The Government—*[Interruption.]*

Mr Speaker: Order. There is far too much noise from the Opposition Benches. I have heard the question; I want to hear the Minister's answer.

Mr Lidington: The Government have made it clear that we would not assent to a transfer of competence or powers during the lifetime of this Parliament. It follows, therefore, that we do not expect a referendum in the lifetime of this Parliament, but unforeseen events might arise. The Bill, once it becomes law, will be binding on this Government as well as on any future Administration, whatever circumstances might arise.

Mr David: Will the Minister give way?

Mr Lidington: No, I want to deal with the objections and criticisms that have been made to and of the referendum lock. Serious questions have been asked on both sides during the debate and I want to respond to them. One set of objections came from the hon. Member for Rhondda (Chris Bryant), who made it clear that he objected to all referendums as a matter of principle—

Chris Bryant: No, I did not.

Mr Lidington: He is now saying that he does not, and I am happy to hear him qualify his earlier remarks. The problem with such an argument is that it ignores two things. First, it underestimates the depth of the mistrust and disaffection that people in this country now feel towards the way in which powers have been transferred from the United Kingdom to the European Union without the people ever being asked for their agreement. It ill becomes the Labour party in particular to offer criticism on this score when the prime reason for such disaffection over the last few years has been that party's refusal, when in government and with a majority in this House, to agree to the people having a referendum, which had been promised at the general election. This was a promise on which Labour was happy to renege when it came into office.

The argument against referendums on principle ignores the fact that the practice has grown up in the last 13 years of holding referendums on major constitutional changes. We have had them in Scotland, Wales, Northern Ireland, Greater London and even in the north-east of England, and I think that people now have a reasonable expectation that they will be invited to have their say if their basic constitutional rights are being affected by legislation proposed by Ministers.

Mr David *rose—*

Mr Lidington: The second line of criticism was rather more subtle than that presented by the hon. Member for Rhondda. It was articulated by a number of colleagues, including my hon. Friend the Member for Richmond Park (Zac Goldsmith), who argued that the Bill left too much discretion to Ministers. My hon. Friends the Members for North West Leicestershire (Andrew Bridgen) and for Witham echoed that argument.

My response is that a number of options were available to us. One was to draft a test phrased in fairly general terms, saying that an important measure would require a referendum, but leaving it to the Government of the day to determine whether that test had been met. We took the view that that would have left far too much discretionary power in the hands of Ministers. What we have done instead is to introduce a Bill that quite deliberately limits ministerial discretion by specifying those changes that would trigger a referendum and also those limited categories of treaty change that would be exempt from the referendum requirement.

Several hon. Friends talked about the significance test, which applies only to a change brought forward under the simplified revision procedure. Within that category of treaty change, it applies only if the sole reason for its falling within the referendum lock is that it falls under clause 4(1)(i) or (j). Any proposal that is covered by clause 4(1)(a) to (h) or clause 4(1)(k) to (m) automatically attracts a referendum. In reply to a direct question put to me, yes, if this Bill had been law at the time, the Lisbon treaty negotiated under the ordinary rules of procedure would have required a referendum before it had been ratified. I only wish we had had such a provision on the statute book when the Labour party betrayed this country's interests and reneged on the promises it had given.

My hon. Friend the Member for Hertsmere (Mr Clappison) argued that the significance was subject only to judicial review and not to Parliament. Of course it is true that any Executive decision by any Minister is liable to judicial review. I dispute his argument, however. Irrespective of whether the significance test applies and whether a referendum is required, any treaty change, however minor, will require an Act of Parliament for its ratification. Such an Act will be subject to full debate and scrutiny and will be capable of amendment in whatever way Parliament wishes.

Mr David *rose—*

Mr Lidington: Through this Bill we are making the Government more accountable to the British people for what they do in Europe. We are ensuring that any new proposal to take powers from this place to Brussels will involve the people in having the final say. I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 195, Noes 330.

Division No. 145] **[9.59 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Healey, rh John
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin

Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Ayes:
Phil Wilson and
Mark Hendrick

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Paisley, Ian
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen

Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wishart, Pete
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Stephen Crabb and Norman Lamb

Question accordingly negatived.

Question put forthwith (Standing Order No. 62(2)).

That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

EUROPEAN UNION BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following provisions shall apply to the European Union Bill:

Committal

1. The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee, on consideration and Third Reading

2. Proceedings in Committee, any proceedings on consideration and proceedings on Third Reading shall be completed in five days.

3. The proceedings shall be taken in the order shown in the first column of the following Table.

4. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
Clause 18, new Clauses relating to Clause 18, new Schedules relating to Clause 18.	The moment of interruption on the first day.
Clauses 1 to 5, new Clauses relating to any of Clauses 1 to 5, new Schedules relating to any of Clauses 1 to 5.	The moment of interruption on the second day.
Clause 6, Schedule 1, new Clauses relating to Clause 6 or Schedule 1,new Schedules relating to Clause 6 or Schedule 1.	90 minutes before the moment of interruption on the third day.
Clauses 11 to 13, new Clauses relating to any of Clauses 11 to 13, new Schedules relating to any of Clauses 11 to 13.	The moment of interruption on the third day.
Clauses 7 to 10, new Clauses relating to any of Clauses 7 to 10, new Schedules relating to any of Clauses 7 to 10, Clause 14, new Clauses relating to Clause 14, new Schedules relating to Clause 14.	The moment of interruption on the fourth day.
Clauses 15 to 17, Schedule 2, new Clauses relating to Part 2, new Schedules relating to Part 2, Clauses 19 to 22, remaining new Clauses, remaining new Schedules, remaining proceedings in Committee.	Two hours before the moment of interruption on the fifth day.
Any proceedings on consideration, proceedings on Third Reading.	The moment of interruption on the fifth day.

5. Standing Order No. 83B (programming committees) shall not apply to proceedings in Committee, to any proceedings on consideration or to proceedings on Third Reading.

Other Proceedings

6. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords may be programmed. *(James Duddridge.)*

Question agreed to.

EUROPEAN UNION BILL [MONEY]

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)).

That, for the purposes of any Act resulting from the European Union Bill, it is expedient to authorise

(1) the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided, and

(2) the payment out of the Consolidated Fund of any increase attributable to the Act in the sums to be charged on and paid out of that Fund under any other Act. *(James Duddridge.)*

Question agreed to.

Business without Debate

Mr Speaker: We come now to the 10 o'clock motions and the business of the House motion in the name of the Prime Minister.

The Lord Commissioner of Her Majesty's Treasury (James Duddridge): Not moved. *[Interruption.]*

Mr Speaker: Order. The House must calm itself. We will come to other matters in due course—any points of order and so on. The next motion is on Deferred Divisions, in the name of the Prime Minister.

James Duddridge: Not moved.

Mr Speaker: We come to the business of the House motion in the name of the Leader of the House.

James Duddridge: Not moved.

Hilary Benn (Leeds Central) (Lab): On a point of order, Mr Speaker. The Government are clearly in a state of chaos when it comes to tuition fees. Yesterday, the Leader of the House tried to move a motion and it was objected to, much to the anger of the Chief Whip, as you know. Today, the Leader of the House tabled one motion in his own name and two motions in the name of the Prime Minister but, as we have just seen, did not have the courage to move the motion in his own name.

I am sure that you understand the deep sense of anger that there is in the House at the amount of time that the Government are proposing to give Members on Thursday to debate the biggest change in tuition fees and support for higher education that we have ever seen. Since the House is being treated with contempt by the Government, may we now have a statement from the Leader of the House to tell us what on earth is going on? Will he indicate how much time we will have on Thursday to debate the increase in tuition fees? *[Interruption.]*

Mr Speaker: Order. I am grateful to the right hon. Gentleman for his point of order. The concern of the Chair is always that matters should be handled in an orderly manner. *[Interruption.]* Order. That has happened, whatever the disquiet or consternation the right hon. Gentleman or others may feel. I know that he will understand that it would not be right for me, from the Chair, to say anything more on the matter. His concerns have, however, been forcefully registered.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Further to that point of order, Mr Speaker. I expected to be debating with the Minister for Universities and Science tonight, yet we have not had even the courtesy of an explanation why the Government have not moved their motions tonight. Have you been given an explanation? How can it be acceptable that students will be saddled with £39,000-worth of debt after just three hours of debate in the House—£13,000 of debt for each hour of debate?

Mr Speaker: My simple response to the hon. Gentleman is that it would not be right now to rehearse matters of substance relating to the tuition fees debate, which there will be an opportunity to develop on Thursday. I am sure the hon. Gentleman looks forward to that opportunity. He, too, has put his concerns explicitly on the record.

Crown Currency Exchange

Motion made, and Question proposed, That this House do now adjourn. —*(James Duddridge.)*

Mr Speaker: I call Tessa Munt. *[Interruption.]* I note the considerable excitement in the House, and I am concerned that the hon. Lady should be able to develop her case on the regulation of foreign exchange services and the case of Crown Currency Exchange. I therefore appeal to right hon. and hon. Members leaving the Chamber to do so quickly and quietly, and to afford the hon. Lady the same courtesy as they would wish to be extended if they themselves had the Adjournment, so I hope there will be no further animated conversations, even between very senior Members.

10.18 pm

Tessa Munt (Wells) (LD): Thank you, Mr. Speaker. I particularly thank the Minister for attending this evening to reply to this debate on the failure of Crown Currency Exchange. This is a matter that particularly concerns my constituents, Nick and Larissa Fry from Axbridge, and I also speak on behalf of a retired bank manager from Holcombe in the neighbouring constituency of the Deputy Leader of the House, my hon. Friend the Member for Somerton and Frome (Mr Heath).

The problem as far as I understand it is that companies such as Crown Currency Exchange are registered with the Financial Services Authority, but the legislation governing its activities looks at the size of the company, not at what it is doing. Crown Currency Exchange appears to have been behaving a bit like a high street bank or foreign currency exchange, and was registered as a small payments institution. As I understand it, it was meant to operate under an average of €3 million a month, but it appears from the administrator's report that for the last 10 months the trading average was at about €10 million a month.

The legislation appears to exclude 547 small payments institutions in particular, from all of the many thousands of companies that are registered with the FSA. I want particularly to draw the House's attention to the FSA website, which states that the FSA's general duties

"in so far as reasonably possible"

are that it should provide

"market confidence, public awareness, protection of consumers and a reduction of financial crime."

It appears that in this particular case it has failed on all four counts. The FSA also says that it is

"the regulator of all providers of financial services in the UK",

and for that reason alone it is within certainly a retired bank manager's understanding, my original understanding and the understanding of most people that these companies are in some way controlled by the FSA.

Crown Currency Exchange displayed on its website, besides the FSA logo, that of Her Majesty's Revenue and Customs, which was clearly for money-laundering purposes. People are therefore entitled to feel that there should have been some sort of cover for the activities that that company undertook.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): A number of my constituents who have been involved with CCE have also contacted me. Is it not equally despicable that the company sought to suggest that the lucrative exchange rates for the US dollar that it was actively advertising were the result of orders that had been cancelled, which allowed it to offer these fabulous terms, when in actual fact it had no currency, and it simply wanted to bring cash flow in to continue trading? Is that not a major concern that should have been picked up by the FSA?

Tessa Munt: That is quite correct. It certainly seems that on several occasions a number of people brought these problems to the attention of the FSA. One of whom was Robin Haynes, the managing director of Currency Index Ltd. He raised concerns about Crown Currency Exchange with the FSA in March 2009 and September 2010. He raised his concerns with HMRC in September 2010 and with Barclays, Crown Currency Exchange's bankers, in May 2009. None of those appears to have been acted on.

There is also the case of a whistleblower who reported his concerns to the companies investigations branch of the Insolvency Service on 20 August 2009, but again nothing appeared to happen. It seems that none of those bodies is able to investigate a company until it has done something completely awful to its customers.

Mr Russell Brown (Dumfries and Galloway) (Lab): I congratulate the hon. Lady on securing the debate, because it has been stipulated that Barclays bank raised concerns about the company prior to its collapse but kept quiet. Does she, like me, believe that that should be further investigated?

Tessa Munt: I hope so, because so many people were taken in by the idea that they had some security, and Barclays probably should have done something. I understand that there was a meeting between one or two company directors and their bankers, Barclays, on 21 July, and that there were concerns at the time about the company's solvency, yet for some months afterwards people still tried to put their money into the company, without any results.

John Howell (Henley) (Con): Does my hon. Friend agree with a constituent of mine, who wrote to me to say:

"I think everyone would agree that if one is registered with the FSA it implies that that actually means something – it didn't"?

Tessa Munt: Absolutely. Alarmingly, the FSA website states:

"We keep an up-to-date record of all FSA-regulated firms, bodies and individuals doing business in the UK. Our register is available to the public, so you can search for more information on all of our authorised firms."

The problem is that the FSA seems to use "registered", "regulated" and "authorised" almost conversationally, but in legal terms those definitions should not be bandied around on its website in such a way.

Jim Shannon (Strangford) (DUP): Throughout the whole United Kingdom, not just on the UK mainland, but in Northern Ireland, those who can least afford it have invested money in that system. I understand that a police investigation started today. Does the hon. Lady agree that, on the back of that investigation, a Government investigation should follow?

Tessa Munt: I hope so. There have been some arrests today, and I think that Devon and Cornwall police's serious crime squad is taking part. I hope that that prefaces some action by the FSA.

Andrew George (St Ives) (LD): Arrests have been made, including of one of my constituents. Indeed, the company's offices were based in Hayle in my former constituency. The case has given rise to enormous concern, and although it is not on the same scale as sub-prime casino banking it has left many people in serious circumstances. I hope that my hon. Friend will advance her case, because this situation clearly needs to be regulated in future.

Tessa Munt: One might just need to get rid of "registered", because it seems to have absolutely no meaning and to afford no protection—nothing.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I, too, congratulate the hon. Lady on securing the debate. The presence of so many Members shows the scale of the problem. My constituents believed that "registered" actually meant something in law. Does she agree that that has to be addressed urgently to ensure that no one else loses out?

Tessa Munt: I could not agree more. One problem I have discovered is that, although in the registration process the FSA takes receipt of £500, it is an overseer and not in any way, shape or form a regulator. The directors and responsible officers of a company have to declare under registration unspent criminal convictions for financial crimes, terrorist funding, money laundering and fraud, but there are two difficulties with that. First, the punishment for not doing so appears to be no more than three months in jail, and, if one is rocking along with £100 million, that is probably worth it. The other thing is that it appears that the FSA has absolutely no means of checking the information because it has no access to the Criminal Records Bureau. Registration is clearly not effective; we need to look at regulation for all these companies.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I am grateful to the hon. Lady; she has taken a number of interventions, although she has limited time to make her case. I congratulate her on securing the debate. Does she share my concern? I have raised constituents' cases with the FSA, but I have not had any replies at all.

Tessa Munt: I have one quote from the FSA complaints department. It says:

"We are unable to look at your case under our complaints scheme as your complaint falls outside the scope of the scheme…However, we will deal with the complaint…It appears that registered companies are not part of the complaints scheme."

It seems a little confused. To be honest, if the FSA does not know what falls within and without the complaints scheme, it will be difficult for any member of the public who has been brought into the situation with a false sense of security.

Mr Robin Walker (Worcester) (Con): I congratulate the hon. Lady on securing this important debate. On behalf of my constituent Chris Neath, who lost more than £3,000 in this scandal, I would like to ask this question. Does she agree that we must remove the confusion among the public between registration and regulation? We should make it clear in this debate that the FSA must take a much stronger line on companies of this size and this sort.

Tessa Munt: Absolutely. I hope that that will be part of the outcome. I ask the Minister in particular whether he would agree to meet members of the group Action against Crown Currency Exchange, me and other Members whose constituents have an interest, so that we can explore what might be done. It certainly seems to me that the legislation does not allow the FSA to operate in an effective way. Perhaps it is for the House to deal with that.

Mr Wayne David (Caerphilly) (Lab): What message can the hon. Lady give to my constituents, and many others across the country who have lost large sums of money, about what hope they might have of compensation?

Tessa Munt: I am an optimist, so I hope that we might be able to do something, but it would appear that the directors of the company have operated through a loophole in the scheme. I suspect that they were very savvy and knew exactly what they were doing. They have registered rather than being regulated or authorised. Some 13,000 people have lost £20 million and there is enormous distress and dismay about what has happened.

Dan Byles (North Warwickshire) (Con): I am grateful to my hon. Friend for giving way, as I am conscious that time is pressing. I join colleagues in congratulating her on securing this debate. Does she have any idea about how many other companies are registered but not regulated by the FSA?

Tessa Munt: I am not aware of the numbers; I am aware only that there is a peculiarity relating to 547 small payments institutions that do not seem to be regulated as other companies are. I hope that the Minister will give some response to the questions that have been raised.

Andrew Selous (South West Bedfordshire) (Con): Does the hon. Lady share my concern that the business of Crown Currency Exchange was apparently regarded as low risk, when anyone with a basic grasp of economics could see the massive risk inherent in currency fluctuation up to a year in advance?

Tessa Munt: It is certainly clear that a number of people alerted various sections of the authorities. A year ago, the *Financial Times* and the financial pages of *The Daily Telegraph* and *The Mail on Sunday* were raising concerns, and they were right to do so.

Peter Aldous (Waveney) (Con): I congratulate the hon. Lady on securing this debate. I have had a response from the FSA. It says:

"In our judgement it would not be possible for the FSA to ban firms such as CCE from describing themselves as "registered for payment services". Any amendment to the register requirements in the Payment Services Regulations would be a matter for HM Treasury."

Will she ask the Minister whether he will consider that?

Tessa Munt: I will do precisely that.

10.34 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I congratulate the hon. Member for Wells (Tessa Munt) on securing a debate on this important topic. The fact that there are 40 Members here tonight demonstrates the widespread interest across the House in what has happened to Crown Currency Exchange. I am glad to have the opportunity to explore the collapse of Crown Currency Exchange and touch more broadly on how foreign exchange services are regulated.

I share the hon. Lady's concern about the impact of the failure of Crown Currency Exchange. I have enormous sympathy for the 13,000 people who have been affected by its collapse. They are honest, hard-working people who have been hit hard and, in some cases, the losses have been considerable. I welcome the work of the administrators in investigating the issues surrounding Crown's collapse, and their efforts to recover as much money as possible for the consumers affected. The administrators have written to the creditors, and have held a creditors' meeting to discuss their proposals. They will continue to review Crown's trading operation, its financial position and the conduct of its directors. I look forward to receiving the administrators' report, so that the Government can consider what lessons can be learned from it and assess what might need to be done to protect customers in future.

Crown Currency Exchange operated an online bureau de change—put simply, it bought and sold currency over the internet, which is quite normal in modern day currency exchanges. However, what separated Crown from other operators was that it was among a minority of companies whose customers paid for their foreign currency weeks or months before they were due to receive it. Some other aspects of its operations were also unusual. It offered much better rates than those on the high street and enticed customers by offering special deals purporting to be from cancelled contracts that did not exist. It did not hedge its exposure to foreign exchange rate changes, so it was at risk if sterling moved against it, and it took payment in full and in advance, for up to a year before delivery. In addition, it did not accept payments by debit or credit card. Crown's business model was an outlier, which posed risks to the firm and, as we know, to consumers. The way in which Crown operated meant that consumers lacked protection because they were unable to pay by debit or credit card.

I do not wish to prejudge the causes of Crown's failure. The administrators' final report, which is expected in a few months, will go over that in detail, and look at the conduct of the company's directors. Let me touch on the regulatory questions raised by the failure. As we have heard, Crown Currency Exchange was registered by the Financial Services Authority as a small payments institution, which means that it managed payments from one person to another. Such institutions may handle the remittances from migrant workers to be sent home to their families, or they may offer an internet service for making payments in competition with the banks.

European legislation—the payment services directive—provides for light touch regulation of small payments institutions. That was the case with Crown, which had some reporting obligations to the FSA. However, the FSA was not required to exercise any prudential regulation, such as oversight of capital requirements over Crown; it was required only to oversee its payments. Buying and selling foreign currency is not a regulated activity, so Crown's foreign currency sales were not regulated by the FSA. The regulatory requirements relating to foreign currency sales are limited to quoting rates clearly, which the FSA oversees, and complying with money laundering legislation, which Her Majesty's Revenue and Customs oversees. The money laundering rules are designed to fight terrorism and crime, not to protect customer deposits. That is why neither the FSA nor HMRC was in a position to investigate or address any problems with the business model of Crown Currency Exchange.

Mr Dominic Raab (Esher and Walton) (Con): A number of my constituents have also lost money in this case. I recognise the limited remit of the FSA, but should it have registered CCE when, as I understand it, one of CCE's directors had a criminal conviction? Was that an example of maladministration, or will that be reviewed?

Mr Hoban: Often in these cases—I do not want to go into detail on this—the FSA is dependent on disclosure by directors. As the hon. Lady said, the FSA does not have the power to access criminal records to enable it to find out whether directors' disclosures are accurate.

The question that we need to address is why foreign exchange services are not more tightly regulated. Traditionally, buying and selling currency is the same as buying and selling any other commodity, whether it is gold and silver or food and drink. With the exception of Crown, this kind of trading has been, and remains, a low-risk business. It is something that millions of us do day in, day out, whether at the post office, in banks or at bureaux de change, without a problem. But Crown's business model was different, and what should have been straightforward transactions led to substantial losses for its customers. I accept, of course, that Crown has inflicted substantial losses on customers. The Government are anxious to learn the lessons from this failure and to take what action may be needed, including regulatory changes.

Mr Dennis Skinner (Bolsover) (Lab): A lot of people have lost money, including people in my constituency and loads of others. Does the Minister think that, as in the case of Equitable Life, it would be a good idea to make sure that the financial ombudsman has a look at this case?

Mr Hoban: It is not a matter for the ombudsman—it is for the administrator to decide what further actions are needed. As I said, the problem is that the nature of this business was such that it fell outside the regulatory perimeters. It is not covered by the Financial Ombudsman Service or the financial services compensation scheme, so there is a distinction between this case and the one to which the hon. Gentleman refers.

Nick Smith (Blaenau Gwent) (Lab): Will the Minister give way?

Mr Hoban: I should like to make some progress, as there are important points that I want to make by the time I finish in seven minutes' time.

I want to reassure hon. Members that I am anxious to protect customers and that we should learn lessons from this. I would point out, however, that there are 1,480 businesses operating as bureaux de change in this country, the vast majority of which are retail outlets dealing with customers face to face. The majority of these firms are not taking payment in advance or entering into forward currency contracts. They do not expose their customers to the kind of risks that Crown appears to have done.

Nick Smith: Will the Minister give way?

Mr Hoban: No, I am going to continue.

The regulation of these businesses, including capital requirements, would impose costs on them and on their customers, so we must be sure that the benefits of regulation outweigh the cost to consumers. I assure hon. Members that we are looking at the other companies to see if any are operating in the same way as Crown. We have not yet identified any, although the investigation is still ongoing. I undertake that the Government will seek to learn the lessons from Crown's failure, once we have all the facts, and take whatever action is appropriate.

Tessa Munt: Will the Minister give way?

Mr Hoban: Let me continue for a bit longer.

I recognise that there are innocent victims at the heart of this, but because Crown's activities are not regulated by the FSA, its customers are not covered by the financial services compensation scheme. Crown did not accept credit card or debit card payments, so its customers are not covered by the protection they offer, and I am afraid that they are therefore awaiting the outcome of the administration process. I believe that it is vital that consumers understand their rights and what products and services are covered by the FSCS. I welcome the fact that the FSCS is launching a campaign in the new year to raise consumer awareness and encourage them to seek more information on what is and is not covered by the scheme. However, I also believe that there is a responsibility on companies to be up front with their customers about the protection that is available if something goes wrong, particularly where the business is complex, as was the case with Crown.

Tessa Munt: Exactly what purpose is served by registering a small payments institution with the FSA? Given that the FSA makes it perfectly clear that it denies any regulatory involvement with small payments institutions, of which there are 547, I am not entirely sure for what one is paying £500.

Mr Hoban: The hon. Lady makes an important point, but the reality is that this activity falls outside the regulatory perimeter of the FSA. The reason these businesses are registered with the FSA is that when the payments services directive was introduced, there had to be somewhere for these businesses to be registered, so the decision was taken to register them with the FSA. That decision was taken not by this Government, but by the previous Government. The hon. Lady is right that that situation leads to some confusion for consumers. The reality is that such businesses were not regulated by the FSA. The same applies to the other 1,500 bureaux de change that operate under this model.

Nick Smith: I thank the Minister for giving way. Given the scale of the issue with 13,000 people having been affected, will the Minister tell us more about the role of Barclays bank?

Mr Hoban: Barclays had a limited relationship with Crown. It did not lend money to Crown, but simply provided it with a bank account. It raised a number of questions with Crown, but the answers gave no cause for concern. It acted simply as Crown's bank and had no engagement in the business.

Mr Russell Brown: I could ask the Minister when he believes that my constituents will receive money and how much, but I want to come back to the fact that the company was classed as a small payments institution, despite its turnover putting it in a category that meant it should have been regulated. Is he in a position to instruct the FSA to look at the more than 500 other companies that are small payments institutions to see whether they fall into a regulated category?

Mr Hoban: When the €3 million figure is exceeded, a company should be regulated, but that figure refers to the average monthly payment transaction. A company can therefore be turning over €36 million a year and still fall below the threshold for registration.

To conclude, I agree with the hon. Lady that the collapse of Crown Currency Exchange has hit 13,000 innocent victims and that, in some cases, the losses have been substantial. We all agree that that should not happen again, that we have to learn the lessons from Crown's failure and that we must take all the steps necessary to ensure that consumers are better informed about the risks that they take and the rights that they have. We will be able to determine the action to be taken by the Government or the regulators only once we have received the report. We will look at the costs and benefits of regulation. I remind the hon. Lady that in last week's debate on the retail distribution review, she pointed out the risk that more regulation poses to businesses.

We must ensure that there is proper regulation for consumers. We must learn the lessons from Crown to ensure that we put the right protection in place for consumers, given the risks involved. I assure hon. Members who take an interest in this matter that I will keep them up to date with what is happening with Crown. I recognise from the number of hon. Members present in the House tonight how important—

10.48 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Wednesday 8 December 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Sunbeds (Regulation) Act

1. **Mrs Siân C. James** (Swansea East) (Lab): What recent discussions she has had with the Welsh Assembly Government on the implementation in Wales of the Sunbeds (Regulation) Act 2010. [28250]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): The Secretary of State and I have a wide range of discussions with Welsh Assembly Government Ministers on a range of issues relevant to Wales. The Sunbeds (Regulation) Act 2010 will come into force in England and Wales on 8 April 2011. It will prevent people under the age of 18 from using sunbeds on commercial premises by making it an offence for sunbed operators to provide access.

Mrs James: I thank the Under-Secretary for that answer. As he is aware, my former colleague, Julie Morgan, the previous Member for Cardiff North, and I fought long and hard for the Act. It is vital that we stop under-age use of sunbeds. The Minister for Health and Social Services in Wales is determined to introduce the principle as a matter of urgency. The introduction of the Act on an England and Wales basis is vital. I urge the Under-Secretary to press UK Ministers for action and to keep the issue at the forefront of the public health debate.

Mr Jones: I commend the efforts of the hon. Lady and Ms Julie Morgan in drawing this important public health issue to our attention. As the hon. Lady is aware, the Welsh Assembly Government intend to introduce regulations in 2011 further to regulate sunbed businesses in Wales only, on which they are consulting. This significant measure is aimed at protecting young people, but it also concerns a public health issue for older people. Sunbeds pose a cancer risk and, to be frank, frequently do not produce a very good look.

Labour Statistics

2. **John Howell** (Henley) (Con): What recent discussions she has had with ministerial colleagues on the level of employment in Wales. [28251]

7. **Stuart Andrew** (Pudsey) (Con): What recent discussions she has had with ministerial colleagues on the level of employment in Wales. [28256]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have regular discussions with ministerial colleagues on the level of employment in Wales. I am pleased that for the past three months in Wales, unemployment figures have fallen while employment has risen—positive signs that our approach is working.

John Howell: Nobody would wish to be complacent, but does my right hon. Friend agree that the good news on employment in Wales is an indication that the hard choices we have made about the economy are working for Wales?

Mrs Gillan: My hon. Friend is absolutely right that we have had to make hard choices. We are rebalancing and strengthening the economy by cutting the mountain of debt that the previous Government left us, in order to improve our economic prospects and ensure that more jobs can be created in Wales and across the United Kingdom.

Stuart Andrew: My birthplace of Anglesey is no stranger to the difficult economic times we have had, particularly given the loss of hundreds of jobs at Anglesey Aluminium Metals. What steps is my right hon. Friend taking to encourage employment on Anglesey and across north Wales?

Mrs Gillan: I am sure that hon. Members from all parts of the House agree that the job losses at Anglesey Aluminium Metals were a great blow to the Anglesey economy. I am delighted—and, as an Anglesey boy, my hon. Friend will know—that the life of Wylfa power station has been extended by two years. The site is one of eight across the UK that have been shortlisted for future nuclear generation. That would ensure good employment for the people of Anglesey and north Wales, and I am sure that all hon. Members hope it will come to fruition.

Mr Peter Hain (Neath) (Lab): Of course, those decisions about Anglesey were taken by the Labour Government and supported by the excellent MP, my hon. Friend the Member for Ynys Môn (Albert Owen). I wish the Secretary of State and all at the Wales Office festive greetings. The Office for Budget Responsibility estimates show that the actions of her Government will result in tens of thousands of public sector job losses in Wales. How many of those will involve women?

Mrs Gillan: I wish the shadow Secretary of State a very happy Christmas and a prosperous new year, and I thank him for his kind greetings. We are certainly not complacent and any job losses are to be regretted. We were pleased, however, that the OBR's original 490,000 forecast for the reduction in public sector staff came down to 330,000 in last week's forecast. I am sure that he will want to welcome that reduction of 160,000.

Mr Hain: I find it astonishing that the Secretary of State has no idea of the number of women in Wales who will lose their jobs as a result of the public sector cuts implemented by her Government. Women make up fully three quarters of public sector workers in Wales, including at Newport passport office, which is being so

shamefully closed. The highly respected Fawcett Society is so incensed at the punitive impact on women of Government cuts that it even tried to challenge them in the High Court. As the first woman Secretary of State for Wales, is she proud of her Government's attitude to Welsh women?

Mrs Gillan: The Government have considered all the possible impacts on women, and many of the changes that we have made to support small companies, for example, will help women, because women are much more likely to work part time. The shadow Secretary of State has misled the House, and—

Mr Speaker: Order. The Secretary of State must not accuse any right hon. or hon. Member of misleading the House. She has a lot of experience, and I know that she will correct what she has just said.

Mrs Gillan: Of course I will correct it, Mr Speaker. The shadow Secretary of State is possibly in danger of misleading the House, because he knows quite well that Newport passport office has not yet been closed and that we have already secured the front-of-house services for it, which will save up to 45 jobs. In 2008, his Government did exactly the same thing to the passport office in Glasgow, so I will take no lessons from him.

Policing

3. **Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): What recent discussions she has had with the Secretary of State for the Home Department on policing in Wales. [28252]

4. **Steve Baker** (Wycombe) (Con): What recent discussions she has had with the Secretary of State for the Home Department on policing in Wales. [28253]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): Effective policing in Wales is of the utmost importance to the coalition Government. Both the Secretary of State and I have had regular discussions with Cabinet and ministerial colleagues on matters affecting policing and law and order in Wales.

Simon Hart: The Minister will be aware of the crucial strategic importance of the Milford Haven waterway as an energy hub serving every constituency in the land. Will he assure the House that Dyfed-Powys police will have the long-term resources necessary to protect that vital asset?

Mr Jones: The Government recognise the strategic importance of Milford Haven and indeed of all other Welsh ports, and we will work closely with ministerial colleagues in the Home Office to ensure that appropriate support is provided in future. Future funding for counter-terrorism policing has been protected as far as possible in the spending review because of the nature of the threat.

Steve Baker: I am sure that Welsh police will welcome the Government's refreshing approach. What else will the Minister do to liberate Welsh police from bureaucracy and get them back on the beat?

Mr Jones: The Government are indeed keen to throw off the legacy of bureaucracy. As a result of the bureaucratic element of Labour policing policy, police officers were left impotent behind desks. Last year under Labour, just 14% of all police officers' time was spent on patrol, compared with 22% on paperwork.

Mr David Hanson (Delyn) (Lab): Does the Minister recall the Prime Minister saying during the election campaign that he thought police community support officers did a good job and that we should have more of them? Does he agree, and if so, what representations is he making to ensure that Wales does not lose out on PCSOs?

Mr Jones: The Government do indeed recognise the importance of PCSOs, but the employment of them must be a matter for individual police forces. The right hon. Gentleman will be aware that the policing settlement is due shortly.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The chief constable of Dyfed-Powys police recently wrote to me outlining the fact that the consequence of the comprehensive spending review for the force would be at least a 20% cut in real terms—a £10 million loss to the budget. With 83% of costs relating to staffing, will that inevitably lead to cuts in front-line policing and a reduction in the quality of service provided in the communities I represent?

Mr Jones: Again, I have to say that the issue of staffing must be one for individual police forces. The Government are trying to be sensitive about the cuts that are necessary as a consequence of the appalling economic legacy that has been left to the country by the Labour party.

Mr Mark Williams (Ceredigion) (LD): Further to the previous question, what representations has the Minister made on the future of the rural policing grant as it affects Dyfed-Powys? The grant is currently £2.64 million and there are real concerns about the implications of any change for the delivery of front-line protection.

Mr Jones: I am sure that that will be a matter of particular concern to my hon. Friend. The Home Office is considering the matter, which will be the subject of an announcement shortly.

Owen Smith (Pontypridd) (Lab): The Minister and the Secretary of State say that individual police forces will be responsible for the cuts that they have to make. However, they will know that North Wales police—overall crime in the area reduced by 40% under the Labour Government—now faces cuts of perhaps 230 officers from 1,600, and 160 police community support officers. If crime increases from the current record lows in north Wales, will the Minister and Secretary of State blame the chief constable?

Mr Jones: Before I answer that question, may I congratulate the hon. Gentleman on being awarded the accolade of "one to watch" in the ITV Wales political awards? I can assure him that I am indeed watching him.

The hon. Gentleman's point has been well rehearsed, but I would rather rely on the chief constable of North Wales, who has given an assurance that the force will continue to protect the public and provide a service in which the public can be confident.

Diamond Jubilee

5. **Andrew Rosindell** (Romford) (Con): What discussions she has had with the Secretary of State for Culture, Olympics, Media and Sport on arrangements in Wales to mark the diamond jubilee of HM the Queen. [28254]

The Secretary of State for Wales (Mrs Cheryl Gillan): The Government are closely involved in the plans to celebrate Her Majesty's diamond jubilee in 2012. A special four-day jubilee weekend will be held over the first week of June 2012, and other events will be announced in due course.

Andrew Rosindell: Does the Secretary of State agree that all parts of the UK should play their part in ensuring that the celebration of the Queen's 60th anniversary as head of state is a momentous occasion? Will she outline what her Department is doing to work with the Welsh authorities and others to ensure that the jubilee is truly a momentous occasion?

Mrs Gillan: The jubilee will be a truly historic occasion, and certainly a great testament to the hard work and dedication of Her Majesty the Queen to this country and her people. The people of Wales will be able to play their full part in it. My hon. Friend will be pleased to know that we are working closely with Buckingham palace and the Welsh Assembly Government to ensure that the Welsh public are given every opportunity to celebrate the jubilee.

Chris Bryant (Rhondda) (Lab): I am absolutely certain that large numbers of people in my constituency will want to celebrate the 60th anniversary, just as they did the 50th anniversary. However, I urge the Secretary of State to speak to the police and health service in Wales, because on the last long weekend when we had two bank holidays together several young people in the Rhondda died from drug overdoses, many of them because they were given their methadone for the Monday and Tuesday on the Friday beforehand. Will she ensure that we do not repeat those problems?

Mrs Gillan: I am grateful to the hon. Gentleman for raising that problem, because I was not aware of it. Certainly, that would be sad at a time of celebration. He will be aware that the Government are publishing our new drug strategy, and I will ensure that that problem is brought to the attention of my right hon. Friend the Home Secretary, who is responsible for the strategy. We will take action on that front, but perhaps he could help me by writing to me so that I can take the matter up properly.

Welfare Reform

6. **Mr Andrew Turner** (Isle of Wight) (Con): What recent discussions she has had with the Secretary of State for Work and Pensions on welfare reform in Wales. [28255]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend the Secretary of State for Wales and I have regular discussions with ministerial colleagues about a range of issues relevant to Wales. The Government have set out our plans to introduce legislation radically to reform the welfare system by creating a new universal credit, which will simplify the system, make work pay and combat worklessness and poverty in Wales and throughout Britain.

Mr Turner: Does my hon. Friend accept that it would be far better to have a small number of benefits that make sense rather than a huge number of benefits that are complex and confusing, and that no one could possibly understand?

Mr Jones: Yes—that is why my right hon. Friend the Secretary of State for Work and Pensions proposes to replace six benefits with one universal credit. That will not only simplify the procedure, but encourage people to get back into work.

Hywel Williams (Arfon) (PC): With simplification, there is always the danger of people falling outside categories, and therefore of gross injustices. Will the Minister have a word with the Work and Pensions Secretary about boosting the face-to-face advice that is available from the Department for Work and Pensions, especially in rural areas? That would be a great step forward.

Mr Jones: The hon. Gentleman makes a fair point. As he knows, the matter is the subject of a White Paper and no doubt he will feed into the process. Overall, it is considered that the new benefit will be simpler and easier for people to understand.

Roger Williams (Brecon and Radnorshire) (LD): I am sure that the Minister will be pleased to know that the number of claimants for jobseeker's allowance in Brecon and Radnorshire has dropped by 25%. Does he agree that that is to do with the resilience of small manufacturing companies such as Beacon Foods—which I visited on Monday—coming through the recession in the way they have?

Mr Jones: Indeed, and one must never forget that small and medium enterprises are the backbone of the Welsh economy. The measures that my right hon. Friend the Chancellor has put in place should do much to ensure that they have a successful future.

Mrs Madeleine Moon (Bridgend) (Lab): Is the Minister aware of the impact on constituents of mine in Bridgend of the lowering of mortgage interest relief for those on benefits from the previous rate of 6.8% to 3.67%? A constituent of mine who has a mortgage at a rate of 5.85% has a shortfall of £236 a month, which is getting him increasingly into debt and he faces losing his property. What help can be offered to people such as my constituent?

Mr Jones: I am sorry to hear of the predicament of the hon. Lady's constituent. If she writes to me, I will pursue the matter further.

Referendum

8. **Mr David Amess** (Southend West) (Con): What recent discussions she has had with the First Minister on the proposed referendum on law-making powers for the National Assembly for Wales. [28257]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have had regular discussions with the First Minister on the proposed referendum. I can confirm that this Government have delivered on their commitment to hold a referendum on further powers for the National Assembly for Wales in the first quarter of next year. The legal instruments setting out the arrangements for the referendum to take place on 3 March 2011 were approved by Parliament and will be considered at the Privy Council meeting later this month.

Mr Amess: In the light of that answer, what consideration has my right hon. Friend given to the outcome of the referendum?

Mrs Gillan: The Wales Office will remain strictly neutral throughout the referendum process, but it is right to consider and prepare now for the outcome, whether it be a yes vote or a no vote. Clearly, a yes vote will transfer primary powers to the Assembly over those areas already devolved, and that will mean a changed relationship with Westminster, including the impact of legislation made in Cardiff on this House and this legislature. If there is a no vote, we will retain the existing legislative process. In that eventuality, I will examine how we can make the system more effective and more efficient, because it is broadly agreed that the legislative competence order process, as it currently operates, is cumbersome and time consuming.

Albert Owen (Ynys Môn) (Lab): I welcome the referendum on greater law-making powers for the Assembly, and I will campaign and vote for a yes. While the Secretary of State does not have a vote and wishes the Wales Office to be neutral, can she indicate what the Under-Secretary, who is a Welsh MP, will do? Will he vote yes or no, or will he sit on the fence?

Mrs Gillan: Ministers in the Wales Office will remain neutral. Unlike the hon. Gentleman's party, the Conservative party in Wales will allow members a free vote. That is the sensible way to proceed.

Aerospace Industry

9. **Mr Adam Holloway** (Gravesham) (Con): What recent discussions she has had with ministerial colleagues on support for the aerospace industry in Wales. [28258]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend and I have had regular discussions with ministerial colleagues on support for the aerospace industry in Wales. I am pleased that we will take forward our order for A400M transport aircraft and the future strategic tanker programme, safeguarding hundreds of highly skilled jobs in north Wales.

Mr Adam Holloway (Gravesham) (Con): Does my hon. Friend regret the pre-election scaremongering, especially in Wales, that we would scrap the A400M, project?

Mr Jones: I do. The A400M is of crucial importance to the aircraft industry in north Wales. Although the wings are not made there, the technology that produces the wings is based there, and it is of extreme importance to the aerospace industry in Broughton.

Geraint Davies (Swansea West) (Lab/Co-op): I was talking to the managing director of GE Aviation in Nantgarw on Monday and he said that he was willing to work with the Government to encourage other inward investors—for example, Boeing—to add to the aerospace cluster in Wales. Will the Minister take up that offer and work with stakeholders in Wales to increase inward investment and the number of jobs?

Mr Jones: I am very pleased to hear what the hon. Gentleman has to say.

Policing

10. **Chris Ruane** (Vale of Clwyd) (Lab): What recent discussions she has had with the Secretary of State for the Home Department on the likely effects on Wales of spending reductions in respect of police forces. [28259]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): Effective policing in Wales is of the utmost importance to the coalition Government. Both the Secretary of State and I have had regular discussions with Cabinet and ministerial colleagues on matters affecting policing and law and order in Wales.

Chris Ruane: North Wales police force is one of the best in the country. Under Labour, it had record investment, a record number of police officers and a record drop in crime. Under the Con-Dem Government, all that will be reversed when North Wales police will be forced to sack 250 officers and 484 civilian staff. Will the Minister and his team do what they should be doing, stick up for Wales and stop these dastardly cuts?

Mr Jones: I remind the hon. Gentleman that the cuts are necessary entirely as a result of the Labour party's incompetent management of the economy. I reiterate that the chief constable of North Wales has sufficient confidence in his force to say that it will continue to protect the public and provide a service in which the public can be confident.

Railways

11. **Mr Elfyn Llwyd** (Dwyfor Meirionnydd) (PC): Whether she has discussed with the Secretary of State for Transport the electrification of the London to south Wales railway line; and if she will make a statement. [28260]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have had, and continue to have, discussions with my right hon. Friend the Secretary of State for Transport about that matter. We have already announced £7 billion of rail infrastructure improvements that will reduce journey times to Cardiff by 15 minutes. The next step is to work with the Welsh Assembly Government on the business case for further electrification. I have recently spoken to both the First Minister and the Deputy First Minister to agree how best to take that forward.

Mr Llwyd: People in Wales will be very disappointed by such a response. Network Rail has allocated no expenditure whatsoever to Wales for the next 12 months. Does the right hon. Lady realise how vital that is to the Welsh economy?

Mrs Gillan: I think I heard that question. I congratulate the hon. Gentleman on receiving at the ITV Wales Welsh politician of the year awards the "campaigner of the year" award for his work on aftercare for military veterans. We all congratulate him heartily.

I assure him that I fully support electrifying the great western main line, but the process is not simple and a range of factors must be considered. If he thinks it is such an easy matter, he should ask the people he sits on the same side of the House with why not a single centimetre of line was electrified in Wales under the Labour Government. *[Interruption.]*

Mr Speaker: Order. There is far too much noise in the Chamber. It is very discourteous to Members and, indeed, to Ministers.

Mr Llwyd: The assurances that the right hon. Lady gives that she will fight her corner for Wales are becoming rather empty—a bit like the situation with tuition fees and the Lib Dems.

Mrs Gillan: It is unusual for the hon. Gentleman to be quite so sour. As he knows, the Department for Transport is considering new inter-city rolling stock to replace the existing InterCity 125s. The two options that remain under consideration are the revised bid from Agility Trains for a mixed fleet of some all-electric trains, and a proposal for a fleet of new all-electric trains that could be coupled to new diesel locomotives. He knows the decision is complex and I reassure him that I am working with the First Minister and the Deputy First Minister on the business case. My officials are constantly in touch with the Department for Transport. We need to take our time and get this decision right for Wales.

Kevin Brennan (Cardiff West) (Lab): The Secretary of State has said that she will resign if the high-speed main line goes through her constituency. Will she resign if she fails to secure the electrification of the line to south Wales?

Mrs Gillan: The hon. Gentleman knows that the Prime Minister is well aware of my constituents' objections to route 3. If the preferred route on the high-speed rail is route 3, he will expect me to argue against it, not least because we will be holding a proper consultation. He also knows that, when he was in Government, many Cabinet Ministers made representations on post offices in their constituencies after they had supported—

Mr Speaker: Order. I want to hear Karen Lumley.

Policing

12. **Karen Lumley** (Redditch) (Con): What recent discussions she has had with the Secretary of State for the Home Department on policing in Wales. [28262]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): I refer my hon. Friend to my earlier response to my hon. Friends the Members for Carmarthen West and South Pembrokeshire (Simon Hart) and for Wycombe (Steve Baker).

Karen Lumley: Having lived in Wrexham for most of my adult life, I notice that North Wales police force has one of the lowest crime rates and the highest percentage of uniformed officers on the streets compared with other forces in England and Wales. Does my hon. Friend think, as I do, that we could learn something from the North Wales police force?

Mr Jones: Yes, indeed, we can. Principally, what we have in north Wales is a chief constable who has displayed a tremendous can-do attitude and is prepared to live within his financial means.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [29131] **Mark Menzies** (Fylde) (Con): If he will list his official engagements for Wednesday 8 December.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to Private John Howard from 3rd Battalion, the Parachute Regiment, who died on Sunday 5 December. He was an incredibly gifted and popular Paratrooper. We should send our condolences to his family, his friends and his loved ones at this very sad time. While I was in Afghanistan, I also met the two brave Paratroopers who were wounded at the same time that he was tragically killed. They were in the excellent Camp Bastion hospital, and I know that their families will be relieved to know that they are doing well and are in extremely good spirits.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mark Menzies: I would like to associate myself with the condolences expressed by the Prime Minister. Does my right hon. Friend agree that it is vital that we invest in the future of the unmanned aerial vehicle programme that has been developed at Warton in my constituency, and will he accept my invitation to come and see first hand the outstanding work force who are driving innovation and skills at that plant?

The Prime Minister: I would be delighted if I could take up the opportunity of seeing my hon. Friend's constituency and that facility. The truth is that the UAV programme is exactly the sort of defence asset that we should be investing in. It plays an absolutely vital role in Afghanistan—we are increasing our spending on that project—and it shows the point of having a defence review, as it is vital to start spending money on the weapons of the future, rather than on legacies of the past.

Edward Miliband (Doncaster North) (Lab): May I join the Prime Minister in paying tribute to Private John Howard, from 3rd Battalion, the Parachute Regiment? He showed enormous courage. We pay tribute to his sacrifice, and our thoughts and deepest condolences are with his family. I join the Prime Minister also, as he recently came back from Afghanistan, in paying tribute to all our troops serving in Afghanistan and their families.

Can the Prime Minister confirm that after his changes are introduced, English students will pay the highest fees of any public university system in the industrialised world?

The Prime Minister: The figures are well known for what students will pay. They are much lower than what students pay in the United States, for instance, but I have to say to the right hon. Gentleman that in the end, we have to make a choice. If we want to see university education expand and universities well funded, we have to work out where that money is going to come from. Our proposal is that graduates should make a greater contribution, but only if they are successful. They will start paying back only when they are earning £21,000. That is better than the system that we inherited.

Edward Miliband: The Prime Minister did not answer the question. This country will have the highest fees for going to a public university in the whole industrialised world. He says that his plans are about properly funding universities. They are not: he is cutting public investment in universities and loading costs on to students and their parents. Will he admit that the reason fees are being trebled is to make up for an 80% cut in the university teaching budget?

The Prime Minister: The reason these contributions are going up is because we were left a completely unsustainable situation. That is why, before the last election, the Labour Government put in place the Browne commission, and why the Conservative party backed it. One party has had the courage of its convictions to see this through. *[Interruption.]* To be fair to the Liberal Democrats, they never signed up to the Browne review. The right hon. Gentleman did, and he is the one guilty of rank hypocrisy.

Edward Miliband: The right hon. Gentleman has given it away: one party. There are 57 Liberal Democrats, and they are split four ways. That is something, even for the Liberal Democrats. Things are so bad that the hon. Member for Birmingham, Yardley (John Hemming) is offering his own unique solution to the votes tomorrow. He says that if you run quickly, you can vote both ways. I have to say that if the Kremlin were spying on the Liberal Democrats, we would know why: they want a bit of light relief.

Let us have the Prime Minister answer another question, because he did not answer the first two. He says that he does not want the next generation to be in debt, so does he not understand the anxiety that students and parents have about starting their adult lives with a debt of £40,000?

The Prime Minister: You cannot attack a plan if you do not have a plan. The fact is that Labour went into the last election with a 25% cut planned for the Business Department. The right hon. Gentleman has absolutely no way of making the numbers add up. Everybody knows that they said that they would not introduce tuition fees; they introduced them. They said that they would not introduce top-up fees; they introduced them. They said that they supported the Browne review; he wrote it into their manifesto. Why are they breaking their pledge about the Browne review? Why? The fact is— *[Interruption.]*

Mr Speaker: Order. All this finger-pointing is very unseemly. I want to hear the response of the Prime Minister.

The Prime Minister: The leader of the Labour party saw a big crowd assembling in the Mall, and he just decided, "I am their leader, I must follow them." That is his idea of leadership.

Edward Miliband: A week really is a long time in politics—not so much waving but drowning. Let us talk about social mobility, because that is at the heart of these proposals. Let me quote someone whom the Prime Minister used to trust on social mobility—the person he appointed to head his social mobility taskforce: the right hon. Member for Haltemprice and Howden (Mr Davis). He said:

"I'm concerned about the effect this would have on social mobility and the huge level of debt we are encouraging young people to take on."

I know that the Prime Minister does not have much time for the right hon. Gentleman these days, but why does he not listen to him on this issue?

The Prime Minister: Let me tell the right hon. Gentleman what has happened in terms of social mobility. Last year, there were 80,000 students on free school meals; only 40 of them went to Oxford and Cambridge. That is the situation with social mobility. What we are introducing— *[Interruption.]* I know that the Opposition do not want to hear the details. We are introducing a situation where nobody pays fees up front, including part-time students—which is 40% of students—and nobody pays anything back until they are earning £21,000. Under the new system, everyone will pay back less than they pay under the current system— *[Interruption.]* They will pay back less every month; that is the case. The poorest will pay less, the richest will pay more. It is a progressive system, but the right hon. Gentleman has got the courage of his convictions to back it.

Edward Miliband: Only the Prime Minister could treble tuition fees and then claim that it is a better deal for students. No one is convinced, frankly. Is it not absolutely clear that this policy is in chaos? The Education Minister refuses to answer questions on it, and the Government rush out proposals on it daily. Is it not the most sensible thing for the Prime Minister to go away, think again and come up with a better proposal?

The Prime Minister: The right hon. Gentleman has absolutely no idea what he would put in its place. He supported a graduate tax, which his shadow Chancellor does not back. He was the person who wrote the manifesto suggesting the Browne review. He is just demonstrating complete political opportunism— *[Interruption.]* Yes, total opportunism. He is behaving like a student politician and, frankly, that is all he will ever be.

Edward Miliband: Mr Speaker, I was a student politician, but I was not hanging around with people who were throwing bread rolls and wrecking restaurants. Is it not the truth that all the Prime Minister can offer us is "you've never had it so good" on planet Cameron? What does he have against young people? He has taken away the child trust fund; he is abolishing the education maintenance allowance; he is scrapping the future jobs

fund; and now he is trebling tuition fees. Is not the truth that he is pulling away the ladder because he does not understand the lives of ordinary people up and down this country?

The Prime Minister: The fact is that if you introduce a graduate tax, you are going to be taxing people on £6,000, £7,000 and £9,000. Where is the fairness in that? The truth of the matter is that we examined a graduate tax and we know it does not work; the right hon. Gentleman's party examined a graduate tax and knows it does not work; the Liberal Democrats had a look at a graduate tax and they know it does not work. The only reason he is backing it is because it gives him a political opportunity. I know what it is like: you can sit there for year after year; you see a political opportunity, but you will never be a party of Government. *[Interruption.]*

Mr Speaker: Order. There is far too much noise in this Chamber; the public absolutely detest and despise it. The House must come to order.

Chris Kelly (Dudley South) (Con): The Prime Minister may be aware that a young constituent of mine, Connor Rankine-Christ, was stabbed in an unprovoked attack at the weekend and has been battling to overcome life-threatening injuries this week. The suspect was released on bail just 24 hours after the attack, which has understandably upset and worried the victim's family. Does my right hon. Friend agree that the courts should still be able to remand individuals in custody in the most serious cases where there is a risk that the defendant will cause injury by reoffending?

The Prime Minister: I completely agree with my hon. Friend. He is absolutely right: the courts must have this power. If they believe that someone is dangerous and could offend again, it is absolutely right that that person is not given bail. That happens under our system and it should go on happening under our system.

Overseas Voluntary Sector

Q2. [29132] **Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): What assessment he has made of the likely effects of proposed reductions in expenditure on the programme partnership agreement on the effectiveness of organisations assisted by the Government in the overseas voluntary sector.

The Prime Minister: Expenditure through the programme partnership agreement is not being reduced. We expect to allocate £120 million every year to this programme from 2011 to 2014. At the same time, we are increasing overall levels of support for the most effective organisations working overseas, and we are keeping the promise to reach 0.7% of gross national income for aid by 2013.

Mr MacNeil: Many colleagues on both sides of the House, including myself, have seen at first hand the great work that Voluntary Service Overseas volunteers do worldwide. Can the Prime Minister assure the House that he will continue to provide the necessary and expected support for VSO to continue to improve the lives of 26 million people around the world?

The Prime Minister: I can do that. Voluntary Service Overseas is an excellent organisation and I know it has widespread support across the House. My right hon. Friend the Secretary of State for International Development is in discussions about how to ensure that its programme goes on succeeding and expanding. Fundamentally, with a growth in the Department for International Development's budget, there is every chance that that could happen; that is what I expect to see.

Mr Speaker: Would a Government Back-Bench Member like to contribute on this closed question?

Malcolm Bruce (Gordon) (LD): Voluntary Service Overseas provides valuable experience opportunities as well as giving people a connection with development. I welcome what the Prime Minister has said, but can he give an assurance that VSO's current concern that its budget might be cut will be overcome by giving it access to other budgets within the Department for International Development?

The Prime Minister: I believe that the discussions are going extremely well and that it will be possible to guarantee that. One reason why people are asking this question about programme partnership arrangements is because the Government want to ensure that organisations are not wholly dependent on Government money, but seek sources of funding elsewhere. As my right hon. Friend says, there are opportunities through other budgets within DFID, and VSO could also make applications to the global fund to combat poverty.

Engagements

Q3. [29133] **Mr David Crausby** (Bolton North East) (Lab): While temperatures drop across the UK, profit margins for the energy companies have risen by an unacceptable 38%, compelling people on limited incomes to turn their heating down. What will the Prime Minister do to force these privatised companies to pay back some of their excessive profits to customers before more pensioners freeze to death?

The Prime Minister: The hon. Gentleman is right to ask this question. Two things need to be done. The first is that the regulatory authorities need to be tough with the energy companies—and that is exactly what I expect Ofgem to do. The second thing that needs to happen is that the cold weather payments need to kick in. We have already spent £173 million since the start of the particularly cold weather. One reason why this is working so well is that we have made permanent what was only a temporary increase from Labour before the last election.

Anna Soubry (Broxtowe) (Con): This morning, I spoke to one of my constituents—[Hon. Members: "Hooray!"] It might come as news to Labour Members, if they were quiet, and they should try it. Mrs Lowther, who is 76 years of age, is disabled and has been housebound for 11 days now, because of the snow and ice in Stapleford. Does the Prime Minister agree that in such inclement weather it is imperative that we are good neighbours, especially to the elderly and the frail?

The Prime Minister: My hon. Friend makes an extremely good point. Of course the Government should be there with cold weather payments, and we are. We should be there with winter fuel payments, and we are. It is also

important that local government plays its role, ensuring that grit supplies are there. By being good neighbours, we can all help those who could suffer in the cold weather, and she is quite right to raise the point.

Q4. [29134] **Kerry McCarthy** (Bristol East) (Lab): As someone who claims to be an avid fan of The Smiths, the Prime Minister will no doubt be rather upset this week to hear that both Morrissey and Johnny Marr have banned him from liking them. The Smiths, of course, are the archetypal student band. If he wins tomorrow night's vote, what songs does he think students will be listening to: "Miserable Lie", "I Don't Owe You Anything" or "Heaven Knows I'm Miserable Now"?

The Prime Minister: If I turned up, I probably would not get "This Charming Man". If I went with the Foreign Secretary, it would probably be, "William, It Was Really Nothing".

Mr Stewart Jackson (Peterborough) (Con): Does my right hon. Friend agree—*[Interruption.]*

Mr Speaker: Order. There is simply too much noise. It is very unfair. I want to hear Mr Stewart Jackson.

Mr Jackson: Does my right hon. Friend agree that it is a badge of shame, for which the Labour party should apologise to taxpayers, parents and pupils, that having doubled education spending during their term in office, they managed to drive down educational attainment standards to the bottom of the international league, according to the OECD?

The Prime Minister: My hon. Friend makes a good point. The tables published today make depressing reading. We are falling behind countries such as Poland and Estonia, which we should be well ahead of. Frankly, this comes down to the choice we have to make. We made the choice of putting an extra £3 billion into the schools budget during this Parliament, because we want more done in early years and primary education so that we get the social mobility about which the Leader of the Opposition was posing earlier.

Q5. [29135] **Emma Reynolds** (Wolverhampton North East) (Lab): Over half the students at the university of Wolverhampton come from disadvantaged backgrounds. This morning, the University and College Union said that Wolverhampton was one of the universities at high risk, owing to the Government's massive 85% cuts to its teaching grant. Will the Prime Minister explain to students and local businesses exactly why he is putting Wolverhampton university at risk in that way?

The Prime Minister: The hon. Lady stood for election on a manifesto that supported the Browne commission—*[Interruption.]* She did; she can deny it now, but that is what the manifesto written by the Leader of the Opposition said. The fact is that we have to make a decision. Is it right for taxpayers to continue providing the predominant support for university education? [HON. MEMBERS: "Yes."] They say yes now, but that is not what they stood on at the last election. Many taxpayers do not go to university or benefit from a university education, so it is fairer and better to ask students to contribute, but only when they are successful. No one will contribute until they earn £21,000, which is £6,000 more than under the system that the hon. Lady's party introduced.

Michael Ellis (Northampton North) (Con): Is my right hon. Friend the Prime Minister as concerned as I am about absurd health and safety legislation, which has reached such dizzy heights in this country that the chief executive of Sainsbury's told me last week that Christmas crackers are now category 1 fireworks, and cannot be sold to anyone under the age of 16 without the risk of a six-month sentence of imprisonment? Will he put a firework up the health and safety legislation?

The Prime Minister: That would give me enormous pleasure, and I look forward to doing so.

Q6. [29136] **Ian Mearns** (Gateshead) (Lab): The Prime Minister told the House in June that he had been treated not too badly on his last visit to Gateshead—we are, by nature, a very friendly bunch. Will he return to discuss with regional political leaders of all parties their real concerns and fears that the Government's current strategy is undermining the potential for economic recovery in our region, particularly through the slashing of support for the tourism industry? Before he mentions it, we are already trying to squeeze a few gallons out of a pint-sized regional growth fund pot.

The Prime Minister: There is big Government support for the north-east. There is big support for Nissan and its electric car, and we are supporting the National Renewable Energy Centre, which is building the world's biggest testing facility for wave and tidal technology. We have also awarded a £7 million contract for the construction of the first advanced bioethanol plant in the Tees valley. So we are investing in the north-east.

The hon. Gentleman talks about a fragile economic recovery. If we had listened to his party, there would not be a recovery; we would be queuing up with Ireland to go to the International Monetary Fund.

Mrs Anne Main (St Albans) (Con): Drunks and binge drinking have fuelled an economy that has sadly seen people the victims of knife crime. May I ask my right hon. Friend to stiffen the Justice Secretary's resolve in dealing with those who carry knives and those who commit knife crimes?

The Prime Minister: My hon. Friend has made an important point. If she reads the Green Paper, she will see that adults committing a crime with a knife should expect to go to prison. That is absolutely right, because there are far too many people committing knife crimes today who do not go to prison, and they should.

Q7. [29137] **Mr Gregory Campbell** (East Londonderry) (DUP): The dissident terrorist threat is a continuing problem in Northern Ireland, and we have seen some evidence of the terrorists' capabilities in recent months. Will the Prime Minister ensure that if additional resources that were not previously envisaged are deemed necessary by the Chief Constable to deal with such a threat, he will ensure that they are provided without delay?

The Prime Minister: Of course we keep a very careful eye on the situation in Northern Ireland, and on whether additional resources are required. We stuck to the pledges made by the previous Government about properly funding the devolution of policing and justice. I think that decisions are better made locally, which is why that was the right step to take. I know how difficult the security situation is in Northern Ireland, and I pay tribute to police on both sides of the border for the brilliant work that they do. Of course we always stand ready to help, but we did make quite a generous settlement in terms of devolving law and justice, and that should be the first call for resources.

Richard Ottaway (Croydon South) (Con): In Afghanistan on Monday, the Prime Minister said that British troops could start coming home from Afghanistan as early as next year, which is a major policy shift. With which of our allies did he discuss that decision, and does he envisage the gap being filled by the Afghan army or the US army?

The Prime Minister: What I said in Afghanistan was what I said before I went to Afghanistan and what I will happily say again today, which is that the whole of NATO and all the nations of the international security assistance force that are involved in Afghanistan are committed to transition to Afghan control between the start of 2011 and the end of 2014. As that happens, there will clearly be opportunities either to reinvest troops in training missions or, indeed, to bring them home. What the Chief of the Defence Staff and I both said at a press conference in Afghanistan was that it might be possible to bring some of our troops home next year.

Q10. [29140] **Mr David Hanson** (Delyn) (Lab): Tomorrow the Deputy Prime Minister will vote to break his election promise on tuition fees. This Prime Minister has also broken his election promise to maintain the child trust fund for the poorest in our society. What message does that send to young people about trusting Government?

The Prime Minister: I seem to remember that the right hon. Gentleman was a Minister in the last Government, who commissioned the Browne review. *[Interruption.]* Yes: the Government who went into the election committed to cuts of 25% in the budget of the Department for Business, Innovation and Skills. If they were committed to that, what were Opposition Members going to do? Were they going to cut the number of people in universities, or were they going to cut the money going to universities? We have had absolutely no answer. The people who are actually behaving in a way that I think drags politics through the mud are people who introduced tuition fees, introduced top-up fees and commissioned the Browne review, and who then, as soon as they are in opposition, behave irresponsibly and run away from it.

Q11. [29141] **George Eustice** (Camborne and Redruth) (Con): There are currently plans to regenerate Camborne and Redruth, which would create 6,000 new jobs and allow the building of a modern, state-of-the art mine in Redruth. However, the work depends on transport infrastructure improvements which are currently being reviewed by the Department for Transport. Does my right hon. Friend agree that in difficult times when capital is scarce we should prioritise projects that create jobs and deliver growth, and that the Department for Transport should review its assessment criteria?

The Prime Minister: My hon. Friend speaks very well for his constituency and fights very hard for the economy in Redruth and Camborne, and he is absolutely right that of course we should give priority to transport projects that have the greatest economic return. That is what the Department for Transport does; it also has to look at environmental and other factors, but decisions should be based on where we can show economic benefits from transport—and remember that we are putting more money into transport capital infrastructure than the previous Government planned to do.

Mr Nigel Dodds (Belfast North) (DUP): In light of his experience of the World cup bid in Zurich last week, can the Prime Minister tell us what his view now is of an organisation that engages in the most convoluted and bizarre voting arrangements, that says one thing and then votes exactly the opposite way, and that has a leader who seems more interested in power and prestige than accountability—and after he has finished with the Lib Dems, can he tell us what he thinks of FIFA?

The Prime Minister: I certainly learned one thing: when it comes to breaking promises, politicians have got nothing on football management—there is no doubt about that. *[Interruption.]* Before Labour Members all start pointing, we should just remember who it was who said, "We will never introduce tuition fees." Who said, "We will never introduce top-up fees"? Who said "We will back the Browne review"? Who is now an organised hypocrisy?

Q12. [29142] **Karen Lumley** (Redditch) (Con): Following the Prime Minister's visit to Afghanistan and the review of the military covenant published today, will he reassure me that his Government will go that extra mile to support our troops, who have given so much to our country?

The Prime Minister: I am sure the whole House is grateful for what my hon. Friend said about our troops. On my visit to Afghanistan, I was again struck by just how hard these people are working, and how courageous, professional and brave they are. They are genuinely the best of British, and we owe it to them that we support not just them, but also their families. One thing I am pleased we have been able to do is introduce a pupil premium for the children of forces families. I know from my own constituency that many children at schools dominated by forces families leave and go to a different school within each year. I think giving extra support to forces families in this way is absolutely right, and I am sure it will be supported by all.

Mr George Howarth (Knowsley) (Lab): In a tragic incident yesterday at the Sonae factory in my constituency, two people working at the plant were killed. I am sure the Prime Minister will join me in expressing deepest condolences to the families of those who were killed, and does he agree that when the Health and Safety Executive and police investigations into what happened have been completed, whatever action is necessary will be taken?

The Prime Minister: I certainly join the right hon. Gentleman in what he says about his constituents and the dreadful accident that took place. It is important that we have procedures in place for the HSE and others to investigate these issues and, as he says, they should follow the evidence wherever it leads.

Q13. [29143] **Ian Swales** (Redcar) (LD): Does the Prime Minister agree that foundation schools are already free from local authority control, and will he meet me to discuss the cancelled innovative project to join foundation school Redcar community college with Kirkleatham Hall special school, to replace their dilapidated classrooms and provide facilities for the community?

The Prime Minister: I know that my right hon. Friend the Education Secretary will be delighted to meet the hon. Gentleman to discuss that. The point is that all schools now being given this greater level of independence—whether as foundation schools or the new academy schools—should have greater ability to get together and collaborate to invest in their future, rather than always having to rely on a drip-feed from Government Ministers.

Jack Dromey (Birmingham, Erdington) (Lab): Is the Prime Minister aware that Parliament may have been infiltrated by an imposter? The Deputy Prime Minister *[Interruption.]* The Deputy Prime Minister has said he will vote to treble tuition fees and abolish the education maintenance allowance. Before the general election the leader of the Liberal Democrats said he would vote to abolish tuition fees and keep the EMA. *[Interruption.]* Can the Prime Minister *[Interruption.]*

Mr Speaker: Order. The hon. Gentleman will have a chance to finish his question without chuntering and shouting from a sedentary position. The last sentence please.

Jack Dromey: Can the Prime Minister tell the House this: are there two Nick Cleggs?

The Prime Minister: I have to say that the hon. Gentleman has the unique qualification of being one of the brothers who was selected on an all-women shortlist—next time he comes in he should dress properly.

Q14. [29144] **Mr Don Foster** (Bath) (LD): Within the next couple of years the Ministry of Defence will relocate a further 1,300 jobs away from Bath, allowing two major sites in the city to be redeveloped. Given the urgent need for 3,000 additional affordable homes within the city, will the Prime Minister give me the assurance that the MOD will work with the Homes and Communities Agency and the local council to ensure that the sites can be used for those houses, rather than merely to get the best price in the sale?

The Prime Minister: I discussed this with my hon. Friend this morning, and I certainly agree that the Ministry of Defence should work with the HCA to try to bring this about. Sometimes the wheels can turn quite slowly when it comes to Defence Estates. I know that he will work hard, and I will ask the MOD to work hard, to get this fixed.

Stella Creasy (Walthamstow) (Lab/Co-op): The Prime Minister will be aware that a week is a long time in politics. Having had all that time, could he now update the House on his rethink on the future of school sport partnerships?

The Prime Minister: I think that there is quite a common position between both sides; I read the debate where the shadow sports Minister said that clearly we could not afford the current level of commitment. He also said that the current way of doing things was not particularly efficient. So we are reviewing it and making sure that we do provide money for school sport from the centre, but that we do so in a better way because, frankly, too many children in too many schools do not have access to sport after 13 years of a Government who talked an awful lot about it.

Q15. [29145] **Jeremy Lefroy** (Stafford) (Con): The Browne report states that only just over 1% of UK graduates gave gifts to their former universities, compared with at least 10% in the United States. Does the Prime Minister agree that those of us who received free university education and are in a position to do this should be encouraged to do some serious giving to universities to support current students?

The Prime Minister: My hon. Friend makes an important point, which is that other countries do better at endowing their universities and making sure that they have a wider source of income. But the fundamental issue is this: if we are going to look at how we are going to fund universities in the future, it cannot be right, and we will not get a proper expansion of higher education, if we just ask taxpayers, many of whom do not go to university, to fund that expansion. It is right that students—only when they are successful, only when they have left university and only when they are earning £21,000—should make a contribution. They should do so in the progressive and fair way that Browne and we have set out.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): The Prime Minister will be aware of the Arctic conditions sweeping across central Scotland. Constituents of mine have been trapped in cars and buses overnight, they have been trapped in their own homes, and schoolchildren have been forced to spend the night in temporary accommodation. Can he assure me that the UK Government are offering all possible assistance to the Scottish authorities, up to and including the use of military personnel and equipment?

The Prime Minister: I can certainly give the hon. Gentleman the assurance that we stand ready to give any assistance in terms of how we are doing these things. Ministerial meetings at, in effect, the Cobra level, are going through what actions need to be taken. There is a bigger strategic supply of grit than there has been in previous years, the military stand ready to help and I can guarantee him that whatever needs to be done will be done.

Mr Speaker: We now come to the statement by the Minister for pensions, Steve Webb. May I appeal to Members who are leaving the Chamber to do so quickly and quietly, so that we can hear from Minister Webb?

Benefits Uprating

12.34 pm

The Minister of State, Department for Work and Pensions (Steve Webb): With permission, Mr. Speaker, I should like to make a statement about the uprating of pensions and benefits for 2011-12. I shall place in the Vote Office full details of the new rates that are due to come into force from the week of 11 April 2011 for each pension and benefit, and arrange for the figures to be published in the *Official Report*.

As the Chancellor said in his autumn statement, we have taken

"decisive action to take Britain out of the financial danger zone." [*Official Report*, 29 November 2010, Vol. 519, c. 530.]

Our decisions today about uprating are part of the plan to ensure we both get on track and stay on track, now and in future.

The Department for Work and Pensions is continuing its comprehensive review of social security policy, including pensions and benefits uprating. As many hon. Members will know, an important component of the future plans for uprating pensions and benefits is the move to the consumer prices index—the CPI. For 2010, additional pensions and benefits were held at their 2009 levels because the retail prices index—the RPI—was negative, at minus 1.4%. In those circumstances, many people saw no increase in their pensions or benefit. Why did the RPI fall? It was mainly because of falling mortgage interest payments, but only 7% of pensioners have a mortgage. People with earnings-related pensions lost out because of a fall in costs that did not benefit them. Had the CPI been used to measure the change in prices last year, benefits such as additional state pension would have been increased.

The CPI is the headline measure of inflation in the UK as well as the target measure used by the Bank of England, and it is internationally recognised. The CPI uses a methodology that takes better account of consumer behaviour in response to price increases. The Government believe that it is right to use one appropriate index for uprating additional state pensions, public and private pensions and social security benefits, and that CPI is a more appropriate measure of changes in the cost of living of pensioners and benefit recipients than RPI. In addition, the House may be surprised to learn that the RPI excludes the spending patterns of the poorest pensioners.

For all those reasons, the Government have decided to move to the CPI. I acknowledge that over the long term the CPI tends to rise more slowly than the RPI. However, the question is not which is the higher or lower number but which is the most appropriate way to track and measure the changes in average prices. The coalition will ensure that the value of many important pensions and benefits is maintained through a rise of 3.1% even in these tough economic times. In addition, steps have been taken to protect low-income families with children through above-indexation increases to child tax credits. Such measures are better targeted on low-income families and will ensure that the measures in the Budget and spending review, of which the move to CPI was a part, will have no measurable impact on child poverty in the next two years.

For consistency, we also announced on 8 July that we would move to CPI as the basis for calculating the statutory minimum increases for revaluation and indexation of occupational pension schemes. Hon. Members will wish to note that the annual revaluation order, which implements the decision, is being laid before Parliament today, together with our consultation document which sets out proposals and seeks views on the impact of using CPI for private sector occupational pension schemes.

The consultation document includes three main proposals. First, we propose legislation to ensure that schemes that choose to stay with RPI do not have to pay CPI in those years when CPI is greater than RPI. We do not intend to put an additional burden on schemes. Secondly, we plan to include indexation and revaluation on the list of changes where employers are required to consult with their employees. I was surprised to learn that schemes had been able to change indexation and revaluation without any duty to consult employees. We will change that. Thirdly, we need to consider what to do when schemes specifically state that RPI should be used and when they do not have the power to amend scheme rules.

I know that many people will have been alarmed by press speculation that we were planning to override scheme rules. We were tempted to respond to the inaccurate reports in this morning's press, but we were keen that this announcement should come out in a formal, structured way and to the House first of all. However, I am pleased to announce to the House that, contrary to press speculation, we do not plan to grant schemes a modification power to make it easier to use CPI when they do not already have the power to amend scheme rules. We believe that members' trust in schemes and the scheme rules could be severely damaged if we intervened to give schemes the power to change their rules when the scheme does not already have such a power. Trust in pensions is important and I believe that intervention demands strong justification.

Finally, I should like to turn to one of the early actions of this coalition Government: the restoration of the earnings link for the basic state pension. Unlike the Opposition, who had 13 years to make that important change but failed to do so, the Government made good on the pre-election promises to restore the link with earnings and delivered that promise within months of coming into power. In fact, we have gone further. We have protected the future value of the basic state pension with a triple guarantee that it will rise by the highest of the growth in earnings, the growth in prices or 2.5%. The triple guarantee means that even in times of slow earnings growth, we will never again see a repeat of small rises such as the 75p rise in 2000.

The new rate for the basic state pension will be £102.15 a week for a single person—an increase of £4.50 a week. From April next year, single people on pension credit will receive an above-earnings increase to their minimum guarantee of £4.75, taking their weekly income to £137.35. For couples, the increase will be £7.30, taking their new total to £209.70 a week. Separately, to help manage expenditure, the Chancellor used his spending review statement to announce that we will freeze the savings credit maximum. Over time, the savings credit has resulted in more and more pensioners being caught up in the means-tested system. Freezing the savings credit maximum helps us to focus resources on the poorest pensioners.

[Steve Webb]

At a time when the nation's finances are under severe pressure, the Government will be spending an extra £4.3 billion in 2011-12 to ensure that people are protected against cost-of-living increases. We have protected the basic state pension with our triple guarantee and we have confirmed that most people on pension credit will benefit in full from the cash increase enjoyed by those on the basic state pension. Our move to CPI for the uprating of the majority of other pensions and benefits will result in an uplift of 3.1 per cent from next April and will set the future of uprating on a more appropriate, consistent and stable basis that is fair to individuals and the taxpayer. Throughout this statement, I have outlined our firm commitment to ensure that no one is left behind, and I commend the statement to the House.

Rachel Reeves (Leeds West) (Lab): I thank the Minister for giving me advance sight of the statement today. Both sides of the House agree that we need to cut the Budget deficit, even if we differ in our approaches, but let us be clear from the outset that what is set out today is not about deficit reduction. Making this permanent change from the use of the retail prices index to the consumer prices index, the impact of which will be felt long after the deficit is long gone, is an ideologically driven move that Labour opposes. If it were a time-limited change, we would consider whether it was a fairer alternative to deep cuts in departmental expenditure and would be willing to work with the Government on it. We would have supported a time-limited change to uprating, but why would the Government change the uprating of benefits in a way that will have an impact after the deficit has been reduced if not for ideological reasons? I agree that we need to get the economy back on track, but why will we be punishing the poorest in society and our pensioners even when the economy is growing again? Can the Minister confirm just how much worse off people will be over the next 10 years as a result of the switch and, correspondingly, how much money it will save the Government?

The Minister has conceded today that CPI will rise more slowly than RPI, but he says that the question is not about which index is higher or lower. That might not be the question that he wants to focus on, but for millions of pensioners and low-income families up and down the country, that is exactly the question to focus on. They will be asking how they will make ends meet following these changes. What advice would the Minister give to people who will be worse off year in and year out as a result of his decisions today?

Let us look at the detail. The Minister has outlined the Government's commitment to continue Labour's policy of restoring the earnings link for the basic state pension with a triple-lock guarantee. *[Interruption.]* The Government Front-Bench team may laugh, but they know that we committed to doing that and they are doing nothing more than continuing with our policy. Given that the Government are usually so intent on regressive cuts, the announcement in the Budget sounded too good to be true. The Minister's statement has confirmed that when something seems too good to be true, it usually is. His statement means that millions of pensioners will see the value of their pension fall every year, and that will be compounded by the increase in VAT, which will leave couple pensioners worse off by £275 a year and single pensioners worse off by £125 a year. To what extent will the Government's combined measures on the change in uprating of the state second pension, the state earnings-related pension scheme, public sector pensions and the VAT increase wipe out any benefit to pensioners from the triple-lock guarantee?

What of the Government's previous promises? Before the election, the Minister said:

> "We are very clear that all accrued rights should be honoured: a pension promise made should be a pension promise kept...we would not make any changes to pension rights that have already been built up. I have confirmed that I regard accrued index-linked rights as protected."

That is quite clear, I think, but today the Minister has confirmed that people who have paid into the state second pension, the state earnings-related pension scheme or a public sector pension throughout their working life will see their pension in retirement uprated by CPI, not RPI, as they had thought, which changes the rules of the game for pensioners and those coming up to retirement.

In just one week, we have seen the Lib Dems break their promises to students and to pensioners. The Minister will know, but for the benefit of others I shall remind him, that I have written to him to ask him to set out why he believes that CPI is a better measure of inflation for pensioners. I have copied that letter to the UK Statistics Authority, which on 6 October said:

> "We believe that the CPI should become the primary measure of consumer price inflation but only when the inclusion in the index of owner occupiers' housing costs has been achieved."

I have not had a response to that letter, and given his attempt at explaining today, it is clear why.

The Minister has not produced any evidence to justify the change in indexation. Indeed, for pensioners and low-income families, average inflation is more than RPI and CPI, because of fuel and food costs. It is entirely disingenuous for him to claim that CPI is a better measure of inflation for pensioners when, in reality, pensioner incomes will be lower as a result. It is disingenuous as well to argue that CPI is a better measure of inflation than RPI for those on benefits. Those in that group spend more on food and fuel, so the average inflation is higher, not lower, than either RPI or CPI. Age UK says that CPI is not better, and that evidence is backed up by the Institute for Fiscal Studies. It adds that older people tend to spend more on essentials such as food and fuel, and still spend on housing costs such as council tax. I ask the Minister now, what evidence—not assertion, but evidence—is there that CPI better reflects inflation for pensioners and low-income families?

It is not just pensioners for whom this uprating makes no sense. The Government have said that, from 2013-14, they will uprate local housing allowance by CPI, rather than local rents, meaning a total disconnection between local housing markets and the housing allowance. The long-term consequences are likely to be dire, so will the Minister confirm whether that will be a permanent shift and whether he is comfortable that pensioners and low-income families risk losing their homes because of changes in rents over which they have no control?

The Government enthusiastically talk about making work pay—we would all support that—but we also hear today that they have said that they will freeze working tax credit but uprate jobseeker's allowance. Does that not mean that the gains from moving into work will shrink every year? Will the Minister explain how that is compatible with the drive to get people back to work?

Finally, does the Minister agree with the Child Poverty Action Group, which says that the

"effective inflation rate for the poorest households was higher than RPI in recent years when the cost of basic essentials like food and domestic fuel rose much faster than other prices"?

It adds that CPI uprating will make inequality and poverty worse.

Steve Webb: I am grateful to the hon. Lady for her questions. The CPI

"is more reliable because, taking account of spending by all consumers, this consumer prices index gives a better measure than the old RPIX measure of spending patterns. It is more precise because... it takes better account of consumers substituting cheaper for more expensive goods." —[*Official Report*, 10 December 2003; Vol. 415, c. 1063.]

How right the previous Prime Minister was when he said those words.

There is a sensible debate to be had about the most appropriate price index. The hon. Lady said that pensioner inflation is always higher. I did not notice the previous Government using a higher inflation measure for pensioners in the 13 years during which they decided these things. In fact, over the past 20 years—not the past five, which Age UK used—the average pensioner inflation and the average non-pensioner inflation were the same. In other words, there are times when it is higher and times when it is lower, as we would expect, but in the long run they are the same. Previous Governments never used pensioner-specific inflation rates; nor do we propose to.

It was good of the hon. Lady to say that she would consider the CPI for this Parliament. Obviously, we are announcing today the benefit rates for next April, so I am assuming that, in the event that the House comes to vote on these matters, she will support the benefit rates that we are proposing. It was not entirely clear to me whether she was for them or against, but I hope that, in due course, it will be clear.

The hon. Lady asked about the use of the RPI and felt, I presume, that it is a better measure of inflation. Does she believe that in the year to September 2009 pensioner inflation was negative? I have never met a pensioner who thought that their inflation was negative. The goal is to use an index that matches inflation experiences, and that is what we have done.

The hon. Lady mentions the IFS and its views on the issue. The main difference between the CPI and the RPI is not the basket of goods but how the two indexes respond to price increases. The IFS found that the substitution effect used in the CPI is a better measure for lower-income households, so its judgment is that, on that key difference, the measure that we are using better fits the inflation experience of lower-income households. I am glad she cited the IFS, because it was right on that point.

The hon. Lady raises the issue of people meeting their fuel bills, and, as my right hon. Friend the Prime Minister said, the cold weather payment is one of Labour's ticking time bombs. This winter, it was due to fall to £8.50 a week. That was in the spending plans, but my right hon. Friend the Chief Secretary to the Treasury and my right hon. Friend the Secretary of State for Work and Pensions agreed that it was not fair—that paying people £8.50 a week this year would not be acceptable. So, we found the money to set it at £25 a week not just this winter, but for the whole Parliament, and pensioners on low incomes are better off as a result.

The hon. Lady asks about the net effect of the changes, glossing over the earnings link, which, mysteriously, was Labour policy but never implemented in 13 years. It is funny how things become implementable in opposition but not when one controls the levers of power. The earnings link on average gives about 2% a year above prices; the CPI change on average gives about 1% a year less than the RPI. So for those with low and modest occupational pensions, the net effect on pensioners of the two taken together will be positive.

We have a package of measures to protect the interests of pensioners. The earnings link over the long run will give a newly retired pensioner an extra £15,000 in state pension over their retirement, compared with the prices indexing that Labour, when it had the levers of power, applied for 13 years. That is what it applied in office for 13 years: the prices link. Within months, we have gone to the earnings link, and pensioners will appreciate what we have done for them.

Jonathan Evans (Cardiff North) (Con): Does my hon. Friend have constituents like mine, who are looking forward to increases in SERPs, and who have looked at what they received last year when the RPI was negative and the CPI was positive? Labour Members back then proposed no increase whatever in those pensions. At the same time, looking over 10 years, is it not a little disingenuous to fail to take into account what has happened to house prices over the past decade? It is unlikely to be replicated in the next decade.

Steve Webb: I am grateful to my hon. Friend for that point. Many of the letters that I signed as a new Minister were to people complaining about the April 2010 non-increase in pension rates because they were linked to the RPI, which was negative. One of the worst things about using something that is so heavily affected by mortgage interest rates is that a pensioner with savings not only fails to benefit from falling mortgage rates, but is penalised by falling savings rates, so they get a double whammy. Neither factor will affect the CPI.

Ann Coffey (Stockport) (Lab): The Minister in his statement said that he will continue to freeze the savings credit maximum, and the reason he appears to give is that over time the savings credit has resulted in more and more pensioners becoming caught up in a means-tested system. Is not another way of looking at the situation the fact that, in future, fewer pensioners on low income will be eligible for pension credit?

Steve Webb: I am grateful to the hon. Lady for her question. She is right: last year the savings credit maximum was increased—by 12p, and by 6p for a couple, so it is important to keep what we are doing in context. If, however, she is accusing us of shifting the balance between means-tested benefits and universal benefits such as the state pension, I plead guilty. We have chosen to focus scarce resources on the basic pension through the earnings link and to constrain the rise in savings credit, which is a relatively ineffective way of reaching poorer pensioners. It has a take-up rate of barely 50%. Half the people who are entitled do not even have it; everyone claims their pension.

Jenny Willott (Cardiff Central) (LD): As the Minister said, the move from RPI to CPI will lead to much more stable increases in the uprating of benefits and pensions, and the triple lock will ensure that pensioners do not fall behind the rest of society. Some concerns have been raised, however, because the CPI does not include any costs associated with housing. The Government have announced plans to consider including some housing costs in the CPI calculation, but when does the Minister expect that to be done, and what impact is it likely to have?

Steve Webb: I am grateful to my hon. Friend, who is right that CPI rises tend to be more stable compared with the surges and freezes that we had with the RPI. On the point about the inclusion of housing in the CPI, costs in the form of rents are in the CPI already, so that is covered for lower-income renters. The CPI advisory committee is undertaking a two-year programme to see how housing costs might be included, but it has already ruled out directly including mortgage interest payments specifically, which will help with the issue that we have raised. As and when the Office for National Statistics comes up with alternative measures, we will certainly look at them, but that is without prejudice at this stage, because the work is ongoing.

Hywel Williams (Arfon) (PC): The Minister draws attention to the restoration of the earnings link and to Labour's failure over 13 years to make that important change, but does he not feel a little uncomfortable about being in cahoots with the party that broke that link in the first place?

Steve Webb: What is a great source of pride to me is being part of a coalition Government who are restoring the earnings link. I assure the hon. Gentleman that, although the measure was certainly in the Liberal Democrat manifesto, if the Chancellor of the Exchequer had not been happy with the plan, it would not have happened.

Brandon Lewis (Great Yarmouth) (Con): Does my hon. Friend agree that one real benefit to pensioners that will result from today's statement is that it gives them certainty and stability, something that, to their frustration, has been lacking over the past couple of years because of the measly and in some ways insulting changes that were made to their scheme?

Steve Webb: My hon. Friend is right. The nature of the triple guarantee is that, whatever happens to earnings and prices, pensioners will be guaranteed a 2.5% rise. Picking up on one of the points that the Opposition spokesperson, the hon. Member for Leeds West (Rachel Reeves), made, I should say that the previous Government, in their spending plans, pencilled in a 2.4% rise in 2012. I have no idea what prices or earnings will be next year, but I do know that 2.5% is bigger than 2.4%.

Paul Flynn (Newport West) (Lab): If a private company alters its contractual obligations to pay its customers, it is likely to end up in court on a charge of fraud. The Secretary of State admits that CPI increases at a slower rate than RPI. Is not the measure just a simple theft of money from pensioners?

Steve Webb: No, it is not. Each year the Secretary of State has a duty to assess the general increase in prices; that is what the law requires him to do. If the law required him to link state pensions, for example, to RPI, that would be a different matter, but that is not the duty. The duty is to assess inflation fairly, which is what we are doing. I also announced today that, when companies have RPI written into their rules and no provision for changing those rules, the Government will not allow schemes to change them, precisely for the sorts of reasons that the hon. Gentleman mentions.

Damian Hinds (East Hampshire) (Con): My hon. Friend rightly identified in his statement that the upratings policy forms part of a much wider review of social security policy, which will include major investment in the radical universal credit. Which elements of the Government's programme does he think will have the most impact on people of working age?

Steve Webb: I am grateful to my hon. Friend for stressing that, as well as setting benefit rates, the Department, led by my right hon. Friend the Secretary of State, is looking at major structural reform to ensure that work pays. The hon. Member for Leeds West asked about making sure work pays, and we need to ensure that the move into work is seamless, people know what they will get and there are not the complexities of multiple withdrawal rates. I think that history will judge this Department and my right hon. Friend's record very favourably for putting in place the structural reform that has been overdue for far too long.

Helen Goodman (Bishop Auckland) (Lab): The Minister is very good at giving long, process answers to our questions, but I should like to ask him one simple, factual question. How much does he forecast the average pensioner losing over the next five years due to the switch from RPI to CPI?

Steve Webb: My forecast is that the average pensioner will gain from our announcements today. I understand why the hon. Lady wants to pick out one little bit, but she knows that the average pensioner draws a basic state pension, which we have restored to earnings, which more than offsets any change to CPI.

David Rutley (Macclesfield) (Con): The Minister rightly reminds the House about the importance of the triple guarantee, which will protect the value of state pensions. What feedback has he had on that important announcement?

Steve Webb: I am grateful to my hon. Friend. I regularly meet pensioners groups throughout the country, and he will be reassured to know that the restoration of the earnings link has been universally well received.

Mark Durkan (Foyle) (SDLP): The Minister will be aware that some of us who now sit on the Opposition Benches never believed that CPI was a better measure because of the fact that it tended to give a lesser increase. However, we do not deny the worth of the triple guarantee. If his concern is to protect the basic state pension, will he address the needs of those people who do not receive its full value because of the high rate of contracted-out deductions? Many people suspect that the rate of deductions is excessive and punitive, and some say that it represents a marginal tax rate of 80% or 90% on their basic state pension.

Steve Webb: Obviously, contracted-out deductions apply not to the basic state pension, but to the additional state pension. The idea of contracting out is that a scheme that offers to provide earnings-related pensions must promise to match the benefits that the state would otherwise have provided. That may not be well understood, but such schemes and the employees who use them pay less national insurance, in return for which, the scheme promises to match what the state would have provided. I do not recognise the hon. Gentleman's description, but if he writes to me with specific examples, I am happy to look at them.

Sheila Gilmore (Edinburgh East) (Lab): I have been contacted by a large number of constituents who are public sector pensioners, because they are extremely concerned that the pensions to which they have been contributing and which they thought were guaranteed to increase in a certain way should be changed by the Government without any justification. Why is it felt necessary to do that? If it is so good to triple-lock the basic state pension, why is it not equally good for public sector pensioners?

Steve Webb: To take the hon. Lady's second point first, if we were to earnings-link all public sector pensions in payment, it would cause a massive increase in unfunded pension liabilities. She has just spent billions upon billions of pounds, apparently casually, but I am afraid we are not in a position to do that. We have done what Governments have always done, which is to assess the general increase in prices, make a figure for inflation and apply it consistently—in this case, to all social security benefits, tax credits and earnings-related pensions. By statute, public sector pensions are linked to what we do to additional pensions. What we are doing for contracted-out public sector pensions is therefore exactly what we are doing for contracted-in additional pensions.

Jim Shannon (Strangford) (DUP): The hon. Member for Edinburgh East (Sheila Gilmore) asked about pensioners. What pensioners and this House need to know is the difference that is made in monetary terms when pensions are calculated using CPI rather than RPI.

Steve Webb: Under the triple lock, the increase will be determined by whichever is highest between earnings, prices and 2.5%. In the long run, the earnings figure is almost invariably higher than the prices figure, so regardless of which measure of prices is used, we will use the earnings figure. As I have said, CPI for additional pensions is about 1% a year lower. The average occupational pension in payment is about £70 a week, 1% of which is 70p a week. Under the triple lock, as I have just announced, the pension is going up by £4.50. That shows the great advantage of the triple lock.

BILL PRESENTED

Armed Forces Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Liam Fox, supported by the Prime Minister, the Deputy Prime Minister, Secretary William Hague, Secretary Kenneth Clarke, Secretary Theresa May, Secretary Vince Cable, Mr Secretary Mitchell, the Attorney-General and Mr Andrew Robathan, presented a Bill to continue the Armed Forces Act 2006; to amend that Act and other enactments relating to the armed forces and the Ministry of Defence Police; to amend the Visiting Forces Act 1952; to enable judge advocates to sit in civilian courts; to repeal the Naval Medical Compassionate Fund Act 1915; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 122) with explanatory notes (Bill 122-EN).

Points of Order

1.2 pm

Paul Flynn (Newport West) (Lab): On a point of order, Mr Speaker. There are widespread reports that the Government will adopt the policy, which seems completely anti-intellectual and irrational, of removing the obligation to have scientists advising the Government on drugs policy. The suggestion is that it will be scientists out, and bigots in. Is it not extraordinary that there has not been a statement in the House so that we might question the Government on that policy? Will you use your good offices to ensure that a statement is made tomorrow, when there is nothing of great significance on our agenda?

Mr Speaker: I fear that the hon. Gentleman overestimates my influence, although I am grateful to him for doing so. He has registered his concern forcefully and it will have been heard by senior Whips on the Treasury Bench. I have a feeling, knowing the ingenuity of the hon. Gentleman, that he will return to this matter, and more than once.

Andy Burnham (Leigh) (Lab): On a point of order, Mr Speaker. At Prime Minister's questions, the Prime Minister, I am sure unintentionally, misrepresented the position of those on the Opposition Front Bench with regard to a constructive offer that we made to discuss the future of school sport with the Government. He said that we had said that the current system was unaffordable and not working. That is not the case. You will remember, Mr Speaker, that last week the Secretary of State for Education agreed to meet us to talk about school sport. That has not happened. I raised this point of order to put those facts on the record and to say that I am seeking an apology for the misrepresentation of the Opposition's position on school sport that occurred at Prime Minister's questions.

Mr Speaker: I am grateful to the right hon. Gentleman for giving me advance notice of his point of order. He has put his point very clearly on the record and I dare say that he will want to share it more widely. As an experienced Member and a former Cabinet Minister, he will be aware that a variety of ways are open to him further to pursue this matter and, as appropriate, to seek a correction. I hope that that is helpful.

Council Housing (Local Financing Pathfinders)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.5 pm

Sarah Newton (Truro and Falmouth) (Con): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to begin negotiations with certain local authorities with a view to those local authorities leaving the current national housing subsidy system and becoming Council Housing (Local Financing Pathfinders) by April 2011; and for connected purposes.

I am sure that most Members from all parts of the House share the experience that I have in my surgery each week of meeting constituents who do not have a good-quality and genuinely affordable home in which to live. Across the country, tens of thousands of families need a home—homes that councils such as mine in Cornwall would like to build. I am in no doubt that we must continue to invest in upgrading existing council housing, but we must also enable councils to build new homes. The ability to deliver the housing and welfare reforms that our society so badly needs is the prize for serving in this Parliament. Together with a good education and a decent job, those reforms will enable millions of hard-working families on low incomes to improve the quality of their lives.

To enable councils to build more homes, we must reform the way in which council housing is financed. Along with Members from all parts of the House, I support the coalition Government's plans to do so. As the Minister for Housing and Local Government said in October:

"For far too long councils have been left hamstrung in their efforts to meet the housing needs of their residents by a council house finance system that is outdated and no longer fit for purpose. The Housing Revenue Account subsidy is in urgent need of reform.

That's why I can confirm that we intend to scrap the current system, and instead replace it with something more transparent that will serve the needs of local communities without interference from Whitehall."

He went on to say that

"we will offer councils the opportunity to keep the rents...This is a key step to transfer powers to councils and communities, so they are free to improve their local services in a way that best meets the needs of local people."

It is anticipated that the decentralisation and localism Bill will provide for the new system. We also anticipate a revised debt settlement, plans for the allocation of debt between authorities and proposals for the system's day-to-day operation.

It is worth recapping the previous Government's work that brought us to this point. In summer 2006, the Housing Quality Network was appointed to undertake business plan modeling with six councils. The six authorities produced model 30-year business plans, based on a one-off settlement with central Government that would allow them to leave the national system. The modelling demonstrated that self-financing could bring improvements in efficiency, long-term planning and asset management. It could attract private investment and provide opportunities for local authorities to add new homes to the housing stock.

In December 2007, the then Minister for Housing announced a full review of the housing revenue account subsidy system to examine further the case for change. That was launched jointly by the Treasury and the Department for Communities and Local Government in March 2008. In June 2009, the then Minister for Housing announced a consultation on the dismantling of the subsidy system and on replacing it with a devolved system of responsibility and funding. The consultation, "Reform of council housing finance", concluded in October 2009. In March 2010, the findings of the consultation were published, along with a set of proposals for further consultation. Following the general election the Government have confirmed that self-financing will be introduced for all local authorities by 2012.

The Bill will create self-financing pathfinders to contribute to the coalition policy of ending the national subsidy system for council housing finance. It will give central and local government the chance to learn lessons on debt redistribution and to evaluate the impact before allowing the remaining local authorities to leave the national subsidy system. It proposes that three councils, Cornwall council, the London borough of Wandsworth and Stockport metropolitan borough council, be offered the opportunity to negotiate terms of exit with the Secretary of State for Communities and Local Government and to leave the national subsidy system in April 2011. To enable that to happen, a minor amendment needs to be made to section 80B of the Local Government and Housing Act 1989.

The proposed establishment of a pathfinder programme for housing revenue account reform, to be undertaken at the three authorities that I mentioned, could have significant benefits for Government, the council housing sector and wider social housing policy. There would be no cost to the Treasury, which in fact would gain. Although it is impossible to be exact about the final formula, receipts to the Treasury during the pathfinder year would be substantial.

HRA reform is about turning local authorities from state-dependent administrators of council housing in an outdated national system into bodies that are locally financed and develop real long-term plans for more sustainable housing with local people. By working through the complex and detailed processes that are required to transform authorities in that way, we will learn valuable lessons that will minimise the risks of unforeseen problems when the legislative deal is done with the whole sector and 160-plus authorities in 2012. An agreement will need to be signed on a voluntary basis by each of the authorities involved and the Government, and it will need to include the debt settlement for April 2011.

It is worth recalling the housing sector's responses to the July 2009 review, which show its reactions to the self-financing proposals. Although only 6% expressed disagreement with the principle of self-financing, of the 64% who agreed with the proposals, only 10% did so without expressing significant reservations or caveats. Some 49% offered support for the proposals and accepted the redistribution of debt on condition that the amount of debt to be allocated at local level was acceptable. Clearly there is still work to be done with some councils to build consensus and momentum on the proposed reforms. The Bill offers the Minister an opportunity to work with the evangelists and to help him with the doubting Thomases.

The overriding objective is to use the pathfinders to support preparation for national HRA reform, not to divert resources away from the overall project. Such a process should be seen as complementary and beneficial, because it would provide a live testing environment for the detailed proposals as they continue to emerge. For example, the pathfinder councils would be able to participate in the forthcoming Charted Institute of Public Finance and Accountancy consultation in a live situation and provide detailed technical feedback.

The process would clearly be seen as a pathfinder process so that technical, regulatory and financial lessons could be learned. It would not be to the advantage of the three local authorities concerned, save for the de facto benefit of being out of the HRA subsidy system a year early. The pathfinder councils would produce a report, with input from any of agencies that had been involved, such as CIPFA or the Public Works Loan Board, and that report would be made widely available to inform the ongoing preparations for self-financing.

The three authorities in the programme are included on the basis of their high performance, their high standing in the sector and the capacity that each has to take on the work early. There is a geographical mixture of debt take-on and debt write-down, of arm's length management organisations and retained management, and of stock sizes. That will provide an opportunity to maximise learning from the process.

I should like to end by thanking colleagues outside the Chamber from the local authorities, who have been generous with their time and very patient with my questions, particularly the housing officers at Cornwall, Wandsworth and Stockport councils and Steve Partridge at the Chartered Institute of Housing. Finally, I thank my colleagues from the official Opposition and the coalition who are supporting the Bill.

Question put and agreed to.

Ordered,

That Sarah Newton, George Eustice, Sheryll Murray, Andrew George, Dan Rogerson, Stephen Gilbert, Jane Ellison, Ann Coffey and Mr David Nuttall present the Bill.

Sarah Newton accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 21 January 2011 and to be printed (Bill 124).

Estimates Day

[1st Allotted Day]

VOTE ON ACCOUNT 2011-12

HOME OFFICE

Police Funding

[Relevant Document: Oral and written evidence taken by the Home Affairs Committee on 23 November on the Effect of the Comprehensive Spending Review on the Home Office, HC 626-i.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2012, for expenditure by the Home Office

(1) resources, not exceeding £4,490,851,000, be authorised, on account, for use for current purposes as set out in HC 593,

(2) resources, not exceeding £225,450,000, be authorised, on account, for use for capital purposes as so set out, and

(3) a sum, not exceeding £4,601,101,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund, on account, and applied for expenditure on the use of resources authorised by Parliament. *(Stephen Crabb.)*

1.15 pm

Keith Vaz (Leicester East) (Lab): Thank you very much, Mr Speaker, for allowing us the opportunity to discuss this very important issue. As I did not have the chance to say this yesterday, I hope you had a very happy wedding anniversary.

On 20 October, the Chancellor announced the outcome of the 2010 spending review. The budget of the Home Office will fall by 25% in real terms from 2010-11, and within that the resource budget will fall by 23%, or £2.2 billion. Administration costs are due to fall by 33% and the capital budget by 49%. Taken as a whole, the Home Office has received a settlement with cuts more than twice the average of all Departments, which is 11%. Even ignoring the protected Departments of International Development and Health, the average cut for all other Departments is 17%, or 5% a year.

The comprehensive spending review document states that the Home Office settlement includes support for major policing reforms; a reduction in police resource funding by 14% in real terms by 2014-15; £1.8 billion of capital investment over the spending review period; spending for the delivery of a new national crime agency; and overall resource savings of about 23%. In real terms, central Government funding for the police is due to fall by 20% by 2014-15. As the House will know, part of the police's funding comes from the police precept, and if the police authorities decide to increase the precept at the rate forecast by the Office for Budget Responsibility, the overall level of police funding will decline by 14% by 2014-15. There is therefore widespread concern about the level of funding for the police and the Home Office over the next five years, and about the way in which it will be achieved.

What has been described as front-loading—the cuts happening in the first few years—has already caused concern. I understand that the Association of Police Authorities recently wrote to the Minister for Policing and Criminal Justice, whom I see on the Government Front Bench, to express that concern. It stated that

"a sensible, realistic approach is necessary to realise the savings objectives and avoid long-term damage to policing capability"

and that its members were

"deeply concerned that front-loading cuts will strip out the required financial flexibility police forces need to transform their working practices in order to make savings."

The CSR document, about which I am sure we will hear more from the Minister, expresses the hope that the savings will be achieved through reducing bureaucracy, modernising pay and conditions for staff, introducing directly elected police and crime commissioners, abolishing the National Policing Improvement Agency and cutting counter-terrorism by about 10% in real terms. After the CSR was published, KPMG was reported as estimating that 18,000 police officers could be lost over a four-year period. The Police Federation was reported as estimating that the number would be 20,000. At Home Office questions on Monday, the Minister said:

"By cutting costs and scrapping bureaucracy, we will save both money and man hours, so I am confident that the spending review should not lead to any reduction in police officers visible and available on the streets."—[*Official Report*, 6 December 2010; Vol. 520, c. 14.]

Richard Burden (Birmingham, Northfield) (Lab): My right hon. Friend might like to know that this morning a number of my hon. Friends and I met the Minister to discuss the impact of the cuts on the West Midlands police force, which is 80% dependent on central Government funding. My right hon. Friend talks about the impact of the cuts on police numbers, but where police authorities are wholly or mainly dependent on central Government funding rather than the precept, the impact on local communities and police visibility will be that much worse.

Keith Vaz: The Home Affairs Committee has already heard from Chief Constable Sims of West Midlands police. It organised a seminar in Cannock Chase, which is not a million miles from my hon. Friend's constituency, where those concerns were raised. The problem is that individual police forces are currently unable to tell us precisely what effect the cuts will have locally. We will have to wait for the publication of the settlement, which we anticipate in early December. When the Minister speaks, I am sure he will tell us precisely when the provisional police settlements will be announced and placed before the House. He is smiling, so perhaps he will announce the figures today and we can question him on them. I am sure that we will hear soon. Until we do, we will not know precisely what is happening.

Steve McCabe (Birmingham, Selly Oak) (Lab): Apart from the cuts, which will reduce the overall number of police, I understand that the CSR will mean a freeze on recruitment, the likely application of regulation A19, which will get rid of the more experienced officers, and a freeze on pay. Do they sound like the conditions for a highly motivated, well performing police force?

Keith Vaz: My hon. Friend asks almost a rhetorical question to which the answer must be, "No—people will not be motivated if those cuts take place," but he is right to raise those concerns. That is why this debate is

important. The Home Affairs Committee is of course aware of the deep concern in the west midlands, which is demonstrated by the number of west midlands MPs in the Chamber this afternoon.

A number of police forces have already issued statements on how the CSR will affect them. In a statement on 22 November, the chief constable of Greater Manchester police and the treasurer of the Greater Manchester Police Authority said:

"Final spending details are not expected until the end of November or early December but if the headline reductions in spending totals for the Police Service are ultimately reflected in GMP's Formula Grant and Specific Grants, the Force and Police Authority will need to find savings of £134m over the four-year period...Savings of £52m will need to be found in 2011/12."

They estimate in their report that GMP will lose approximately 2,950 posts from a total of 12,000 over the four-year period, and BBC News has reported that 1,387 officers and 1,557 civilian posts could go in Greater Manchester.

Northumbria police also issued a statement, saying that the likely impact of the cuts would be the loss of 450 members of the civilian staff out of a total of 2,500. As my hon. Friends the Members for Birmingham, Northfield (Richard Burden) and for Birmingham, Selly Oak (Steve McCabe) said, it looks as though 2,000 jobs will be lost in the West Midlands police force, including 1,050 police officers over the four-year period.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): I should declare an interest, because my son is the chief executive of a police authority. Will my right hon. Friend reflect on the large numbers of police officers that will be lost? The Government imply that the loss of police officers will not be seen on the streets because people can somehow be pulled out of back offices, but many officers who are not on the streets investigate internet-related crime and child abuse, and undertake intelligence, and scientific activities to prevent crime. They investigate a range of crime, the evidence for which is not to be found on the streets of our towns and cities.

Keith Vaz: My right hon. Friend is extremely knowledgeable, as a former Police Minister. He will know that, depending on the police authority or station, 85 different functions could be performed every day in a police station by people from IT experts to those on the switchboard and reception. Of course, the temptation is to remove the back office, but if we do so, those in the front office—the visible police officers—will have to go there, because there will be nobody else to do that work. My right hon. Friend is right to highlight the problems caused by the suggested front-loaded reductions.

Jack Dromey (Birmingham, Erdington) (Lab): Is my right hon. Friend aware that West Midlands police assume in their planning that they will be unable to cope with cuts on the scale being forced on them by the Government without compulsorily retiring up to 400 of the longest-serving police officers under A19, and without a significant reduction in visible policing on the streets—fewer bobbies on the beat—in the west midlands generally and Birmingham in particular?

Keith Vaz: My hon. Friend is rightly concerned about that. I will be going to Birmingham in a week's time at the invitation of my hon. Friend the Member for Birmingham, Selly Oak to see how the CSR will affect visible policing.

Rehman Chishti (Gillingham and Rainham) (Con): In response to an earlier question about the functions of police officers, it has to be said that many were affected by the previous Government's ill thought out, badly drafted legislation. For example, the short-term, knee-jerk reaction dispersal orders simply moved one problem to a different street in the same area, which I often saw as a cabinet member for safety in Medway. Of course we must consider the various functions of police officers, but in the past 10 years the police have been tied up with functions they should never have been dealing with.

Keith Vaz: The hon. Gentleman is absolutely right. One thing I hope we can avoid at all costs is the kind of knee-jerk reaction that he mentioned. I would hate the police service to be subject to the same kind of reorganisation that we have had in the NHS in the past 20 years under the previous Government and the one before that.

I do not intend to go on for long, because many right hon. and hon. Members wish to contribute to the debate. The Home Affairs Committee hopes to assist the Government in this difficult process—we want to approach the proposals in a comradely and constructive way. I am glad to see so many members of the Committee in the Chamber. Our longest-serving and most distinguished member, my hon. Friend the Member for Walsall North (Mr Winnick) is here, as are my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael) and my hon. Friend the Member for Birmingham, Selly Oak. The hon. Members for Cannock Chase (Mr Burley) and for Rochester and Strood (Mark Reckless) are members of the Committee, and sitting behind them on the Government Benches is a non-member, the hon. Member for Gillingham and Rainham (Rehman Chishti). The hon. Member for Brentford and Isleworth (Mary Macleod) is also in the Chamber. She was a member of the Committee but was poached within weeks of her appointment by the Minister to become his Parliamentary Private Secretary. I am sure she is doing a great job.

The Committee has decided to undertake a trilogy of reports on three different aspects of the proposals to assist the Government. It is rather like "The Lord of the Rings". We have just published our report on police and crime commissioners. As the Minister knows, members of the Committee have different views on the desirability of police and crime commissioners, but I hope he found our report helpful. It outlined a number of issues that we feel could be of value to the country.

We were very concerned that the figures for the cost of police and crime commissioners came out only after we had published our report. Indeed, the proposals came out on the very day that we published our report. Perhaps we can improve our co-ordination. I am not saying that we should be like "Strictly Come Dancing", but if the Government and the Committee communicated a little bit better, we might be able to see the proposals before we commence our reports, which would make what we say more valuable.

The second report was suggested by my hon. Friend the Member for Birmingham, Selly Oak and my right hon. Friend the Member for Cardiff South and Penarth,

[Keith Vaz]

and we will look at the CSR in the light of the decisions that the Minister will make imminently about how much police forces will have as part of that second report on a reduction in police bureaucracy. There is common ground on both sides of the House about the need to reduce police bureaucracy. When my hon. Friend the Member for Gedling (Vernon Coaker) was the Minister with responsibility for the police, he also said that he wanted to cut red tape. In the 23 years I have been a Member of Parliament, Ministers have always said that they want to cut red tape, but the proof of the pudding is in the eating, and we need to ensure that it actually is reduced. That is why I hope that Jan Berry will have her term as the police bureaucracy tsar renewed, so that rather than just writing a one-off report she can continue to monitor the situation.

Guy Opperman (Hexham) (Con): Does the right hon. Gentleman accept that savings would have to be made whichever party was in government? Will he give us a preliminary figure that he—personally or as the Chair of the Committee—would accept for the reduction in police budgets and numbers?

Keith Vaz: I am afraid that I cannot give him a personal figure. The Committee has not met and has not discussed this matter, nor have we conducted our report. Members of the Committee would be most concerned if I started speaking on behalf of the Committee on a matter that we had not considered. I know that the hon. Gentleman has a great interest in policing matters, and we will look at this very carefully. We will of course take evidence from the police and from others.

The final report that we intend to produce is on the new landscape of policing. The Government have not finally decided precisely where every bit of the old landscape will fit in the new landscape and we hope to help by setting out a landscape that will be accepted by the Government and the Opposition, so that whatever happens on 5 May 2015—or whenever the fixed-term election will be held—and if the Labour party is returned to power, we will not have another reorganisation, as we have had in the health service. Let us reach a consensus about how to proceed.

To that end, I was very pleased that the Minister was able to come to the summit meeting that was organised in the constituency of the hon. Member for Cannock Chase a few weeks ago. I hope the Minister took away the message that there are stakeholders in the policing process who want to be engaged in what the Government are doing. We heard an excellent speech from my right hon. Friend the shadow Home Secretary, and other Members of Parliament attended. We now have, in people such as Hugh Orde, Denis O'Connor, Paul Stephenson, Paul McKeever and others, some truly outstanding leaders in the profession, but we—Parliament and the Government—need to work together to ensure that we have a permanent landscape and to deal with the reductions in a particular way.

I am very concerned that there will be a reduction not only in the number of police officers but in the number of police community support officers. I was deeply concerned by the press statement issued by the chief constable of Lancashire police—which covers the area of Chorley, if my geography is correct, Mr Deputy Speaker—to the effect that every PCSO has been put on notice that they may lose their posts. They have been a terrific addition to policing.

I recently went to a residents meeting in London—I normally speak at residents meetings rather than attend them, but I was attending as a constituent of the hon. Member for Hendon (Mr Offord). The hon. Member for Harrow East (Bob Blackman) was also there. We heard an excellent presentation from a local PCSO about the work that he does, which includes reducing the work load of police officers, enabling them to do their jobs effectively.

Lorraine Fullbrook (South Ribble) (Con): Is the right hon. Gentleman aware that of the 427 PCSOs who received the at-risk notice from Lancashire constabulary, only 149 are completely funded by that constabulary?

Keith Vaz: I did not know that and I am most grateful to the hon. Lady, who is another member of the Committee. However, that still does not address the reductions. If we are to proceed with a view to reaching a consensus—people have strongly held views—we must agree that there is of course a need for an overall reduction in the police budget. However, that hurts us as local MPs when it affects our local areas.

The public want to be able to pick up a phone to report a crime to a police officer and to ensure that that crime is dealt with as quickly as possible. If that is the bottom line, I hope that this debate can be conducted in a way that achieves that purpose. Let us put our party political differences to one side and concentrate on the fact that if a reduction in resources means fewer police officers—as I think it will—the Government will need to think again, and possibly ask the Treasury for additional resources so that we match the spending on the national health service and education. Law and order—the prevention and detection of crime—is a key issue for our constituents and we need to do everything that we can to ensure that it remains at the forefront of people's concerns.

1.37 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to speak in this debate, and this is the third time in seven months as a Member of Parliament that I have spoken on this issue. It is also a pleasure to follow the right hon. Member for Leicester East (Keith Vaz), a fellow east midlands Member. I am sure he will agree that the east midlands forces have generally fared relatively badly in terms of funding in recent years. We all hope that, as the Minister finalises his funding settlement for the individual forces, he will look favourably on our local forces.

I commend the police for work they do in my constituency and across Derbyshire. I also commend their positive approach in responding to the anticipated level of cuts. They have not thrown their toys out of the pram and panicked that they will not be able to deliver effective policing across Derbyshire. Instead, they have looked at sensible steps that they can take. To be fair, they have been taking such steps in recent years in preparation for this situation, which they knew was likely to arise. Earlier this year, they reduced their control districts from four to three, moving the control district that covers my area from my constituency to

Chesterfield, a move that has been achieved without any real damage to the quality of policing in the area.

We have to be realistic about police funding and accept that there is only so much that forces can do if they do not have the right money in the first place. Making straight-line cuts from the wrong starting position will not leave us in the right finishing position. Derbyshire police estimate that the impact of the comprehensive spending review will result in their needing to make straight-line savings of £6 million in the next financial year. However, they have lost roughly £5 million a year from the damping mechanism, which has cost them some £26 million in the last five years. It is a little much to expect a force that is already £5 million behind where it should have been—which is the equivalent of some 200 police officers compared to how many they would have had with the right amount of formula funding—to be able to absorb a straight-line cut in the same way as other forces that have received much more generous funding. Such a cut is bound to have a serious impact on local policing. It is a little over-ambitious and I hope that the Minister will be able to assure us that he will look to reverse some of the negative impact of the damping mechanism, especially during the CSR period. By the end of that period, our police forces need to be in a fair funding situation; otherwise some of them will have received far less money than they should for an entire decade.

It is worth mentioning that forces can do things to save money that do not rely on cutting front-line officers. I have had meetings with people who have given me information about the waste that exists in police forces, and there is scope for tackling that. I have concerns about how a uniformed, qualified officer has to supervise specialist functions within the police force—for example, on forensics. Somebody in a managerial role ends up trying to supervise something that they are not really an expert in and to which they add little value. That is not a necessary part of the structure. I also question whether it is necessary to have quite so many different silos considering different areas of responsibility. It is a struggle to integrate them and bring together a joined-up seamless force. There must be huge scope for making savings but, fundamentally, there is only so much blood we can get out of a stone before we end up without an effective force.

We are in a bit of a strange position in terms of timing. The review of police conditions is ongoing, yet we want forces to start to make significant savings before they have had a chance to work through the impact of that. It would be unfortunate for forces to lose skilled and trained back-office staff or PCSOs because that is the only way they can make head-count reductions as forces cannot currently make uniformed police officers redundant. If we change the rule halfway through the process and decide that having uniformed officers performing back-office functions is not a great idea, we will find we will have already put ourselves in that position by having to proceed too quickly.

I hope that the timing of the spending reductions will be consistent with the pay and conditions review. It is hard for the public to understand why police officers enjoy an almost unique protection from redundancy whereas PCSOs and skilled back-office staff do not. I do not think the uniformed officers in the constabulary in my constituency will be desperately keen on changing that or on hearing such a change being advocated, but such an approach would give a level playing field for all employees of the police authority.

I do not wish to detain the House for much longer. However, when the Minister considers funding, I urge him one last time—this is the third time I have done so in the Chamber—to acknowledge that straight-line cuts on average will not deliver a fair outcome for forces across the east midlands, especially in Derbyshire. I hope that, over the CSR period, that will be taken into account and that we can move towards having the fairer funding that the formula states Derbyshire police ought to get.

1.42 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): It is my turn to follow the hon. Member for Amber Valley (Nigel Mills)—the sequence is normally the other way around—and I am very pleased to do so.

I recognise that the Minister has a tough job on his hands. Although I do not agree with a number of his proposals, I accept that his instincts are to try to make the police more efficient and to achieve a better level of performance with the resources he has. His difficulty is that the Home Office did rather badly out of the recent settlement. It is evident that, while other Cabinet Ministers went to bat for their Departments and secured good deals, the Home Secretary did not achieve quite as much. We must now live with the consequences of that. I genuinely and sincerely fear that crime will rise and that we will have terrible difficulties in some of our major cities in trying to combat the particular types of crime that we have been able to bear down on so successfully in recent years.

I do not oppose the Minister's ambitions to achieve efficiencies and use more modern methods. In fact, I agree that change is needed. I support the better use of IT and better procurement, and I believe there is a clear argument for the police shift system to be changed, which would release more officers. We argue about the statistics—the Minister is very keen to gloat about the 11% figure—but the reality is that the police shift system is part of the problem, and I am in favour of changing that.

I welcome civilianisation where it frees police to do policing jobs. However, such an approach means there can be no benefit from the mass sacking of civilians. That is the conundrum. If civilianisation is a good process because it frees police officers to carry out policing functions, it logically follows that the mass sacking of civilians will mean that police officers are taken off front-line functions and sent back to doing civilian tasks. The Minister will have to address that problem. It is likely—my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) made this point—that the initial response of police chiefs will be to sack civilian staff, which will impact on front-line policing. As they struggle to continue to make the budget match up, they will be forced to consider how to sack police officers. The easiest way to do that will be to apply regulation A19, which will mean that some of our more experienced and senior officers will have to go. We will have the double effect of losing civilian staff while officers are taken off the street to do their work and, simultaneously, losing senior and experienced officers.

[Steve McCabe]

As I said to my right hon. Friend the Member for Leicester East (Keith Vaz), it seems that that will happen when there is also a freeze on recruitment and a freeze on pay. Those are not the conditions in which we can expect to get the best out of people, or motivate them to embrace change and improve performance; they are the conditions most likely to produce exactly the opposite effect.

I am particularly worried about the west midlands, because our gearing ratio means that we are highly dependent on grant. Earlier today, we met the Minister to discuss that very subject. If we experience a uniform cut in grant without any changes to the damping regime, we will lose out unfairly as a result of an exercise that means we must forgo money and resources, which will be transferred to other police areas. We will have to forgo those resources so that the council tax precept can be kept down elsewhere in the country.

That is a very good argument for what the Treasury want to achieve, and for what the Secretary of State for Communities and Local Government might want to achieve. However, it is not an argument that someone who is worried about law and order and police resources should be too willing to embrace. Even at this stage, the Minister should consider whether he still has time to go back to his friends in the Treasury, explain the dilemma and see whether they can help him out of the hole that has been dug for him.

Project Paragon in the west midlands has shown that successful efficiency and reorganisation measures can be taken. However, such measures take time to deliver. Project Paragon cannot be turned on and off like a tap. If such things are to be done successfully, they need a long lead-in time. It takes a long time to deliver efficiencies. One of the by-products of such a change is that crime may rise during the reorganisation period, and there is some evidence in the west midlands to show that that is happening. I see that the Minister is nodding, because I think he also accepts that that is the case.

My concern about these very substantial front-loaded cuts is that such a reorganisation will occur far too fast in forces all over the country, at the very time when we are gearing up for major events, such as the Olympics. That is not something that we should be remotely complacent about. It screams out for re-examination, because the obvious dangers are right in front of us. We still have time to look into this issue, but if we delay too long, things will be upon us and our forces will be in chaos at the very time when demand for policing is at its highest.

I agree with the Chair of the Home Affairs Committee. My view is simple: law and order always has to be our No. 1 priority. I genuinely feel that the Government have got the balance wrong. I am delighted that they have selected areas of other budgets that they feel should be protected, but there are times when I would like to hear a more convincing case for those decisions. However, I am disappointed that so little emphasis seems to be placed on law and order. Yesterday we detected the dangerous cocktail of police numbers dropping, crime rising and the courts prevented from sending offenders to prison when that is exactly where they should be, along with a promise of community punishments, albeit without the resources to make them work. That is a recipe for problems.

Rehman Chishti: The hon. Gentleman makes an assertion about allowing offenders to get away, but between 2007 and 2010, under the previous Government, some 80,000 prisoners were let out of prison early. Surely that was completely unacceptable, and if the hon. Gentleman's previous comment is right, he should accept that that was wrong.

Steve McCabe: Actually, the reality is that under the Labour Government there was a huge rise in prison numbers. It is true that some people were allowed out one month early, but the Justice Secretary proposed yesterday that there should be a threshold in order to reduce the numbers who go to prison in the first place, which means that the courts will be hampered. Indeed, he went on to say that his preference was that people should serve half the sentence in prison and half in the community. I should tell the hon. Gentleman that his constituents will find that much less acceptable than the situation when we were in power. If he does not believe me, I would be happy to go with him to his constituency and talk to them about it, because from what my constituents tell me, I am pretty certain that I am right about that.

Rehman Chishti: The statement by the Secretary of State for Justice was quite clear: those who commit crime should be punished with the efficient force of the criminal justice system, and that includes going to prison. Can the hon. Gentleman show where in the Secretary of State's statement it said that they should not be sent to prison?

Steve McCabe: I can show the hon. Gentleman where in the statement the Secretary of State gave the estimate for what he expected the reduction in the number of people going to prison to be. He stood at that Dispatch Box and said it, and everyone who was in the Chamber heard it—unless they have selective hearing.

I shall now return to what I was saying. There is a difficult balance. Perhaps the cuts are just too much, and the Home Office has got a particularly poor deal. I was surprised to discover, from the evidence that the permanent secretary to the Home Office gave to the Home Affairs Committee, that the Department has not carried out any research into the impact of the cuts on crime. That came from the very same permanent secretary who three years ago ordered a report on the potential impact of a recession on crime. It seems slightly strange that the man who feared then that a recession could lead to a rise in crime, and who said that we should investigate the potential outcomes, does not seem remotely troubled that a background of massive cuts and far too rapid reorganisation could have a similar effect. Perhaps it is just as well that he is planning to retire.

Keith Vaz: The point to emphasise is that the outcome of the research commissioned by the permanent secretary for Jacqui Smith when she was Home Secretary was that crime would rise during a recession, and that was assuming a level playing field for the number of police officers.

Steve McCabe: I am grateful to my right hon. Friend for that point. He is absolutely right.

I have one last point to make. As I said at the outset, I am in favour of the Minister's plans to try to modernise the police force and get greater efficiency. I genuinely wish him well, and I think that some of the things that he talks about are things that we should try to do. I also think that they need a longer lead-in time. Time will tell who is right about that. However, there is one priority that I would not adopt at the moment, especially against the background of the cuts and the reorganisation and efficiency changes that we are about to experience. I would not totally change the management and accountability structure of the police at the same time. It seems ludicrous that we should be subjected to the idea of elected police and crime commissioners now. It might be a good idea—although I think that the Minister is wrong about that as well—but what on earth is the pressing need for something that will have a further destabilising effect on the police, at the very time when they have all those other issues to contend with? If the proposal is a good idea, surely there is plenty of time to discuss it, and to pilot it and see what the consequences—the benefits and downsides—are.

Guy Opperman: In 2008, when the previous Government made the proposal and were considering it in their draft legislative programme, was my hon. Friend in favour of it or against it?

Steve McCabe: I am glad to hear that the hon. Gentleman is now my hon. Friend. I do not know whether that means that he shares some of my concerns about policing, or whether I have at least one ally on the Government Benches who will talk to the Minister about such issues. Actually, it was never the Labour Government's proposal to have directly elected police commissioners, so no, I was never in favour of that.

This is not the time for that experiment. The Minister has enough on his plate. He needs to get on and get the best deal and the best arrangements that he can from his Treasury colleagues, in order to prevent some of our worst fears from being realised. He would be better off concentrating his energy on that. We can deal with the question of police commissioners another time. What is proposed sounds like a Government in too much of a hurry, with too few resources and too few of the right priorities. If the Minister gets this wrong, not only will he suffer personally in a ministerial capacity, but our constituents throughout the country will suffer as a consequence of reckless behaviour that damages the police.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Just before I call anybody else, let me say that there have been quite a few complaints about the temperature in the Chamber. I can assure hon. Members that, as always in this Chamber, the temperature is now rising. The problem has been fixed.

1.58 pm

Tom Brake (Carshalton and Wallington) (LD): It gives me great pleasure to follow the hon. Member for Birmingham, Selly Oak (Steve McCabe), because it gives me an opportunity to express some concern about the fact that I listen to the same statements and participate in the same debates as him, yet I hear different things being said. If he looks carefully at what the Secretary of State for Justice said yesterday about prison sentences, he will see that he was clear that prison is entirely the right place for criminals to be. However, there are a limited number of cases, involving non-violent prisoners who have been given very short prison sentences, in which if it can be proved that a community sentence would more effectively address their reoffending behaviour, that is the appropriate course of action. That, the hon. Gentleman will find, is what the Secretary of State said yesterday, and there is broad agreement in all parts of the House that it is a sensible thing for him to have said.

I am pleased that we have the opportunity to hold this estimates day debate today. The right hon. Member for Leicester East (Keith Vaz) referred to "Strictly Come Dancing", and said that he was a little worried that the timing of Government announcements was not in keeping with the publication of his Committee's reports. One could perhaps make the same comment about the timing of this debate in relation to the police settlement. Clearly, Ann Widdecombe and Anton du Beke have had some involvement in the timing of this particular choreography, and I suspect that we will have to have a further debate once the police settlement has been announced.

Keith Vaz: I take the hon. Gentleman's point. Unfortunately, this was not in the hands of the Select Committee, although we did ask for the debate. May I also take this opportunity to acknowledge the hon. Gentleman's presence at the seminar in Cannock Chase, and the contribution that he made to those deliberations, for which we were very grateful?

Tom Brake: I thank the right hon. Gentleman for that intervention. I commend him and his Committee for their excellent work, and for the advice, recommendations and guidance that they provide for the Government.

The recent report produced by Her Majesty's inspectorate of constabulary, the Audit Commission and the Wales Audit Office on police spending, and the ways in which efficiencies can be achieved, is pertinent to the debate. It shows that police spending has grown significantly—by nearly half—since 1997-98. During that same period, the council tax contribution towards police expenditure has gone up by nearly 150%, so the increases have clearly had a big impact on council bills. It is also worth pointing out that only half of the efficiency savings achieved by the police in 2008-09 were used to reduce budget pressures. There is clearly a potential for more efficiency savings to be achieved, and for those savings to be put back into dealing with budget pressures.

All this has to take place while maintaining public confidence in the police. The report is helpful in pointing out that the forces that have achieved the highest cashable efficiencies do not have lower levels of public confidence. One would therefore hope to be able to square that circle, and the report supports that proposition. A priority for police forces must be to ensure that their threat, harm and risk assessments are finely tuned to value for money considerations and to the savings that they need to achieve, so that there is a clear linkage between them.

[Tom Brake]

For me, the strongest point in the HMIC report was that forces are going to need strong leadership to achieve those transformational changes. If they are going to get beyond the typical 3% annual efficiency savings that have been made in recent years, that will require transformational change and significant leadership. The report goes on to state that this is perhaps not always recognised by chief constables. It states that less than a third of chief constables identify leadership skills as important in securing better value for money. I hope that the Association of Chief Police Officers will look into that, because transformational change will clearly need to involve collaboration with other organisations, other forces locally and other partners, and that is not easy to achieve. It will require significant leadership behind it. The report also flags up the fact that more than half of chief constables said that local police unit commanders lacked the financial skills to deliver the savings. Again, that illustrates the need for additional support to ensure that the necessary training is given, so that the significant savings that some forces have already achieved can be achieved by all of them.

Another important barrier highlighted by the report relates to the need to reassure the public that what matters is not the number of police officers, but what the police do. I have to confess that I am a recent convert in that regard. I am sure that there are Members here who received campaign literature from the Liberal Democrats that talked about additional police numbers. That is something that I cannot disguise, and I will not attempt to do so. However, recent reports have made it clear that we need to improve on the figure of only one in 10 officers being visibly available at any one time, and it is surely not impossible for forces to look into that in greater detail. The public are worried about the perception of police numbers and the availability of police on the streets, but that concern can be addressed if we can achieve a better turnout of officers, even if there is a requirement to reduce force numbers.

Others have talked about police overtime. I do not want to overemphasise what can be achieved by reducing overtime, because there are clearly occasions when police forces do not have control over that factor. Tuition fees demonstrations spring to mind. By allowing overtime to be used, local police forces are often in a position to provide additional tasking to hit a particular problem at a particular time. Having said that, it is clear that some forces are achieving significant savings by reorganising the way in which their overtime works, and one would expect other forces to be doing the same thing.

Members on both sides of the House will support the need for more sensitive and more effective procurement. The fact that 14 forces will have managed collectively to save £18 million by 2012-13 through the national forensics consortium leads me to hope that the other 29 forces that are not part of the consortium will actively consider participating in it, because of the potential collective saving of up to £40 million if they were to join it.

Keith Vaz: The hon. Gentleman was part of the Select Committee when we published the report "Policing in the 21st century", in which we mentioned procurement. This is a no-brainer, is it not? Why do all those police forces still buy on their own, even if it is in collaboration with 14 others? Surely there should be more effective leadership, whether from the National Policing Improvement Agency or from the Home Office, to ensure that they buy in bulk.

Tom Brake: I agree with the right hon. Gentleman. That is indeed a no-brainer, whether it involves vehicles or IT systems. We need to be careful, however, particularly when the "no-brainer" centralised procurement involves taking existing IT systems and moving them on to a common platform, as that can be quite a complex undertaking. Certainly, projects of that nature in the NHS have proved technically challenging, and such projects need to be dealt with very carefully.

The report identifies up to £1 billion of savings that could be derived without hitting the front line. I take the point made earlier, that it is wrong simply to say, "Front line, good; back office, bad," particularly if the work going on in the back office involves officers engaged in detection and investigation. It is not possible to achieve a simple transfer. However, Members who have seen the HMIC report will know that there are currently 200 officers working in human resources departments. That might be a police role in some shape or form, but I find it difficult to imagine that all 200 of those officers working in HR are working on tasks that require a trained police officer. There is therefore scope for savings in those areas, and in others.

I have mentioned the fact that between the point at which a crime is reported and the final appearance in court, about 100 different processes take place. Some of those involve the police, and it is clearly a labour-intensive process. Anything that can be done to simplify it, while keeping all the usual safeguards in place, will, I am sure, help to improve efficiencies for the police, for the court system and beyond.

The report makes a number of recommendations; I shall highlight a couple of them before finishing. It underlines the need for police authorities to set savings targets for their forces that are more ambitious than those of previous years. I know that that will be a tough call for police authorities at the moment, and it is fair to say that they are not unanimously behind the coalition Government's proposals for elected police and crime commissioners. I know that the police are all professional in their approach, however, and a number of them want to put their names forward for election as police and crime commissioners, so I am sure that they will want to demonstrate their commitment to achieving significant efficiency savings.

I have underlined the importance for the police of making sure that the threat, harm and risk assessment is closely linked with any financial or business planning, and I have also underlined the need, if these transformational changes are to be made, for some clear leadership from senior officers. The changes are not going to happen by themselves; they will need someone to drive them. The Government's role should be to ensure flexibility to allow partnerships between forces and other partners to develop so that substantial savings can be achieved. If a carrot were provided by introducing a linkage between future grant allocations and the efficiency savings that forces achieve, I believe that that would help.

Steve McCabe: On that point, does the hon. Gentleman think that individually elected police and crime commissioners all pursuing their own individual political agendas is more or less likely to encourage force co-operation?

Tom Brake: I thank the hon. Gentleman for his intervention, which I think makes a strong point. It has been put—no doubt by him, by me and by others—to the Minister for Policing and Criminal Justice, who is well aware of it. The legislation will clearly need to set out the requirement for police and crime commissioners to collaborate and co-ordinate activities with others. When they take on this role, they will also have to bear efficiency savings in mind, so making them will also be in their interests. We are watching that issue closely, and we will want to ensure that elected police and crime commissioners understand the need to co-ordinate effectively with their neighbours.

I believe that the report by HMIC, the Audit Commission and the Wales Audit Office provides a substantial body of evidence to support the case that opportunities are available to make significant efficiency savings. I think that they can be achieved, so long as those at the head of the forces provide the necessary leadership to drive the changes through.

2.13 pm

Mr David Winnick (Walsall North) (Lab): I decided to join some of my colleagues in speaking in this debate because of the deep concern in the west midlands about the impact of reductions in police officers and support staff.

I apologise for missing one or two speeches, but I pay tribute to the speech made by my right hon. Friend the Member for Leicester East (Keith Vaz) who, as we all know, chairs the Home Affairs Committee in such a distinguished manner. He made an effective speech, although he will not be surprised to hear that I cannot go along with his taking an "apolitical stance". I am not aware that I have ever taken an apolitical stance, and it is rather late in the day for me to start! I am not point scoring today, however, although I am happy to do so on many other occasions.

I said in my opening remarks that people are very concerned in the west midlands, and it is for Members and Ministers to decide whether that feeling is genuine. I have had the privilege of representing my constituency of Walsall North for 31 years, and I have always been concerned—as one would expect of every hon. Member—that the police should be able to deal effectively and promptly with my constituents' complaints about criminality.

The Minister states that there is no, or hardly any, correlation between the number of police officers and tackling criminality, but, like many Members, I simply do not accept that for a moment. There is a correlation. Common sense dictates that if we have fewer police officers, it is far more likely that crime will go undetected.

Mr Aidan Burley (Cannock Chase) (Con): The hon. Gentleman, like me, is a member of the Home Affairs Select Committee. Bill Bratton, who appeared before our Committee on 30 November this year, said:

"As a police chief for many, many years, I would always like to have more police, but the reality is it is not just numbers but, more importantly, what you do with them."

Does the hon. Gentleman accept that argument from someone who spent 40 years heading up the two biggest police forces in America?

Mr Winnick: It is common sense that a senior police officer will take the view that the way in which police officers are deployed is very important. No one disputes that for a moment, but did not Bill Bratton say on the very same occasion that he would have liked to have more police officers? The hon. Gentleman just said that.

Between 1997-98 and 2010-11, central Government funding for west midlands police rose by 36% in real terms. Let me ask those who are critical whether I am justified in raising concerns. No Conservative Member suggested at the time that less should be spent on policing in the west midlands. The money was spent not for the sake of it but to reduce criminality, which it did. We know that under the comprehensive spending review, police forces in England will receive 20% lower funding by 2014-15, and it is not likely that the west midlands will be any different.

I take it from the intervention of the hon. Member for Cannock Chase (Mr Burley) that some Conservative Members—not, I hope, all—do not consider police numbers important. Let me nevertheless cite the numbers for west midlands police, comparing the time Labour first took office with now. In 1996, there were 7,145 police officers. There was then a steady increase, and this year's figure is 8,536. I do not know whether the hon. Member for Cannock Chase or any other Conservative Member would argue that those increases were unjustified and that there should not have been such a substantial increase.

If necessary, I could provide statistics to show that in the west midlands, as in the rest of Britain, crime has reduced—indeed, the Justice Secretary conceded the point yesterday. I find it difficult to believe, even though the Minister shakes his head in disagreement, that the reduction in crime in my region is not somehow connected with the 36% real-terms increase in police funding and the correlative increase in the number of police officers. There has also been a steady increase in the number of police community support officers since they were first established.

I am not one who always defends the actions of the police. I might well be critical of some aspects of policing the demonstrations today and tomorrow—so be it; we shall see. On one point, I am absolutely certain, and my right hon. Friend the Member for Leicester East also made it abundantly clear: when our constituents phone the police to report criminality they want effective action, not a prerecorded message with no action being taken for days. I do not suggest that all has been well, but spending less on police, with fewer police officers, will make our constituents' problems much more difficult.

As I said at the beginning of my remarks, in the west midlands, in the black country—not just Birmingham, but my borough, surrounding areas, and the other three black country boroughs—Members have been very pleased, on behalf of our constituents, first and foremost, by the reduction in criminality. Hon. Members may say that we are being too pessimistic, and I obviously hope that a reduction will not to lead to the reversal that many of us fear, but we have a duty and a responsibility to ensure that the progress of the past few years is maintained.

[Mr Winnick]

that our constituents are protected from criminality as much as possible, and that the police take effective action against criminality when it occurs.

2.21 pm

Richard Drax (South Dorset) (Con): May I say what a privilege it is to follow the hon. Member for Walsall North (Mr Winnick), a distinguished Member of the House? I must say that I agreed with much of what he said. I also thank the right hon. Member for Leicester East (Keith Vaz) for his eloquent opening of the debate. The hon. Member for Birmingham, Selly Oak (Steve McCabe) made the point that law and order is a top priority, and that is a view with which I, and all hon. Members, concur.

We will hear shortly how much our police forces will get. The Minister for Policing and Criminal Justice, who is on the Front Bench, has received a letter from me, listing a lot of ideas, following a long meeting I had with my chief constable, on how to save on procurement, duplication of effort and needless bureaucracy. Although I will speak in the main from the perspective of my constituency, Dorset is a very large area with a number of MPs, but it has a small police force and low funding. Consequently, we are probably braced more than most for the cuts announcement.

Over the past decade, Dorset police authority has received chronically low levels of Government funding. To make up the funding, it has had to rely increasingly on the council tax precept. In addition, perhaps the Minister would note that our budget for police community support officers is ring-fenced at £3.2 million, which the police feel is unnecessarily restrictive. If they cannot change their financial organisation to meet the cuts and future requirements, they have much less flexibility.

According to benchmarking studies, Dorset police have been praised for cuts in back-office services such as finance and personnel, and their costs are way below the national average. My concern is that, following the announcement, Dorset police will experience further cuts, following year-on-year cuts over the past 10 years, despite being told that they are doing an excellent job—every time they were told that they were doing an excellent job, the chief constable had less money with which to do it.

If police officers on the beat in Dorset are to be reduced, we will have problems. In my constituency, the island of Portland is a case in point. Portland has a population of about 15,000 people, but some years ago it had a population of 8,000 or 9,000. In those days, it had 13 police officers based in a police station. It now has two mobile police officers, with two PCSOs backing them up. Those officers are based near the island—they share the office that the police are using to organise for the Olympic games. Let me give all credit to those two brave officers and the two PCSOs—I have been out with them on patrol on two occasions, and they do a remarkable job. However, the people on the island of Portland are not convinced that the police have a high enough profile. If cuts come, I am concerned that places such as Portland will be affected.

As Portland and Weymouth will host the Olympic sailing events in 2012, let me touch on Dorset's projected budget of just under £64.5 million in that year. In an Olympic year, therefore, Dorset police will face a £6.4 million shortfall in their budget. We know that there is a budget for the Olympics, and we are assured that the money is there. However, there is no definitive funding amount. Manpower costs for the Olympics are difficult to estimate, and Dorset police suggest that they will need 600 additional officers to provide security for the games. Will Dorset police meet all the costs of those extra officers, or just their overtime? The costs are not negligible. The police presence will be needed for 64 days, from pre-Olympic training, throughout the games, until the Paralympics afterwards. The Olympic policing budgets are centralised, in 16 different silos, which makes planning and preparation difficult and drawn out. For example, deciding whether to place a man or a camera on a strategic corner can take weeks, wasting a lot of money.

Finally, I agree with the coalition Government's stance—I believe that the stance is shared across parties—of wanting more neighbourhood policing. When I ask my constituents whether they have seen their neighbourhood sergeant or constable, they say, "Yes, he was here last week, but for the last two months he's been taken off on other duties." No doubt there is a shortage of officers on the ground, but may I suggest to the Minister, who will probably pale at the additional cost, that we turn back the clock, in a positive fashion, and have police officers based in local communities? I am talking about reopening police stations, which will allow police officers to get to know—and literally smell—their community. They will know when young Jimmy or Jack is about to commit an offence at six or eight years of age, and prevent him from becoming a hardened criminal when he is 18. We must get officers back into our local communities. At the right moment, a firm word and gentle guidance can head off a life behind bars. In the long run, the cost of reopening local stations would be offset against reductions in crime and imprisonment, and would allow police to reconnect with the communities they serve.

CCTV has its place. I am an ex-soldier, and have experience of using technology to get intelligence and so forth. However, CCTV cannot tell us the demeanour of a young man or woman intent on committing crime. A police officer on the beat is able not only to deter such a person from committing crime, but if the crime is committed the police officer can respond immediately. That boosts confidence in the community and helps a raft of other things, not least tourism, which brings in much-needed cash to South Dorset.

As the Minister will announce the figures imminently—I believe at the end of this week—may I ask him, most humbly, and with the Olympics in mind, please to consider Dorset police *[Interruption.]* And other constituencies, as many Members are also concerned about their police. To get police back into the local community, let us reinvest in police stations, to save in the longer term and fight crime.

2.29 pm

Jack Dromey (Birmingham, Erdington) (Lab): It is a privilege to speak after the hon. Member for South Dorset (Richard Drax), who represents an area that I know very well. For many years I led all the unions at the Portland naval base, and I know that it is a fine community and a fine town.

The hon. Gentleman spoke with passion and conviction about the importance of police officers on the beat to both detection and deterrence. My experience of them, in the west midlands, is very similar to his. I have seen at first hand the outstanding work done by the police service there, and, while I agree with my hon. Friend the Member for Walsall North (Mr Winnick) that the police do not always get it right, I know that the community in the west midlands value their police service. There have been real improvements in recent years, and I have seen the consequences at first hand. Let me give three brief examples.

The first example is this. Nine months ago, in Stockland Green in my constituency, there was a serious increase in crime, including robberies and violent crime. The police mounted a major operation involving not only police officers on the beat, but the highly effective intelligence work behind the scenes that was described by the hon. Member for South Dorset. As a consequence, a number of arrests were made and the problem was dealt with very efficiently.

Secondly, I have seen at first hand how quickly the police respond to serious crimes in my constituency. I say with some sadness that there have been three knife murders in Erdington over the past nine months. It would not be appropriate to comment on the outcome of legal processes that are yet to be concluded, but I will say that the sheer scale of the operation that was mounted, quickly and effectively, in all three cases was hugely reassuring to a community who were rightly concerned about what were very serious offences.

Thirdly, I have seen at first hand the work of the local tasking groups. In Castle Vale, a very fine community in my constituency, the police sit down together with representatives of the local community, and they work together in a highly effective way to target issues of real concern such as antisocial behaviour.

I pay tribute to the work done by police community support officers, whom I have seen on the beat in the Erdington high street area. They are an immensely reassuring presence and they do a very good job, not least in freeing police officers to concentrate on what police officers are best at. I also pay tribute to our chief constable, Chris Sims. Chris is an able leader of the West Midlands police service, although he has had to deal with some problems in it. He is also the national champion of the Association of Chief Police Officers on the issue of bureaucracy—it is common ground that we can reduce back-office costs, for instance—and gives a national lead in the vital areas of forensic science and detection.

Not only is the West Midlands police service of great importance in the west midlands, but it performs those major national functions, as well as supporting other police services. It will play an important role in the run-up to and during the Olympics, and—as the Minister knows—it also plays an important role next door in Warwickshire when big problems arise. Time and again, the Warwickshire police service can count on the tried and tested West Midlands service.

I welcomed this morning's meeting with the Minister. I hope that, for all the reasons that I have given, he will accept the real concern that is being expressed in the west midlands about the potentially serious consequences of a reduction of up to 2,500—including 1,200 police officers—in the West Midlands police service over the next four years, and of a potential reduction of 400 police officers before 1 April next year.

At the heart of the dilemma facing the police service in the west midlands is the fact that the financial structure in an area of high demand and high need is very different from that in Surrey. More than 80% of the funding of the West Midlands service comes from central Government, as opposed to 50% in Surrey. I hope the Minister will accept that if the Government apply quick and deep cuts indiscriminately to all police services, there will be particularly serious consequences in the west midlands.

The police service in my constituency, in Birmingham and in the west midlands, is already having to plan for the consequences of what it faces—including the compulsory retirement, under regulation A19 of the Police Pensions Regulations 1987, of some of the best long-serving police officers, several hundred of whom may have to go before April next year unless the Government change their mind. It is also planning for a significant reduction in the visibility of policing on the streets in the west midlands more generally and in Birmingham in particular, because it believes that it has no alternative. All that is a result of the scale and speed of what is being expected of the police service in the west midlands.

I know of no police service that is incapable of improvement. Yes, there is a debate to be had about how to reduce back-office costs. When our party was in government, it made clear that it considered that to be necessary. However, I ask the Government to accept a simple reality. Unless they change course, and if in 2011 we see a toxic combination of rising unemployment and falling police numbers in Birmingham, crime will inevitably increase. The first duty of any Government is to ensure the safety and security of our communities, in the midlands and throughout the country. Even at this late stage, I urge the Minister, the Home Secretary and the Government to hear the strong concerns expressed by the people of Erdington, Birmingham and the west midlands.

2.37 pm

Guy Opperman (Hexham) (Con): I have a background in criminal law, and have spent a large part of my time down the years prosecuting and defending people in various trials, including murder trials.

I have been out on the beat with members of the Hexham constabulary, who do an amazing job in supporting the police and the community. They undoubtedly need our support, and we should provide that support unequivocally—for the police force and for the operational command—if at all possible; but if we are to do that, we must change the position that we acquired on 7 May. There is currently a significant financial deficit, and that means that we must make choices. Whether we like it or not, we have had to make cuts. That gives no one any pleasure, but we have been forced to do it by our present position.

We are adopting a good procedure in attempting to do a series of things at the same time. There will be a settlement. My local chief constable, who has done an amazing job, wrote to me outlining the cuts that she might have to make, which are undeniably significant. My hon. Friend the Member for South Dorset (Richard

[Guy Opperman]

Drax) and others have pointed out that the cuts are a problem that we must address, but choices need to be made, and the chief constable is dealing with them very well. There will be a reduction of 450 officers or civilian staff. In this context, I should remind the House that she was the chief constable who looked after Raoul Moat and all the difficulties and problems that followed on from the events in the summer. She has done a sterling job in trying to hold everything together, but when I asked the Chairman of the Select Committee on Home Affairs what he would cut and what his approach would be, he initially said, "I can't really answer that question," but at the very end of his speech he said, "This will require the Home Secretary to go back to the Chancellor and ask for more money."

Chris Ruane (Vale of Clwyd) (Lab): Like the other Departments.

Guy Opperman: That is an interesting observation, but when the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson) was Home Secretary he famously said there would not be enough money to pay for various things, and the home affairs budget would clearly have gone down. It is not in dispute that that will present the Department with a significant problem. Efforts are being made, but a choice had to be made, and I applaud the Government on the choice they made and for going ahead with it.

I asked the hon. Member for Birmingham, Selly Oak (Steve McCabe) whether he supported the police and crime commissioner changes. We find from talking to our constituents that the centralisation of control under Labour over the past 13 years is a significant problem. The legislation that the Labour Government brought in put ever more work under Whitehall control. The Home Secretary was given ever stronger powers to intervene and to direct police authorities. Labour's approach failed to recognise the fundamental problem of policing, which is that those who should be in the driving seat, and those who suffer when things do not work, are the public, not the Government.

In the last year prior to the change in Government there were 52 documents of central policy guidance, and a further 60 on planning. The average length of the manuals was just under 100 pages, and they included 4,000 new promises. The principle is very simple: the police are there to serve the local community, not Whitehall, but for too long they have been serving Whitehall.

Jack Dromey: The hon. Gentleman's esoteric dissertation on central Government diktats is all very interesting, but does he not accept this simple reality: as a consequence of what Whitehall is now doing in front-loading major cuts to the police service—7% and 6% in the first two years—local police services generally are faced with a nigh-on impossible problem and the West Midlands police service in particular will lose 400 police officers by 1 April next year?

Guy Opperman: I make this simple point: what would Labour have cut? All parties would now be facing this difficulty and, frankly, it is fanciful to argue there would not have been any cuts whatever to, say, the Birmingham or Northumberland police forces.

I want to turn now to the Police Reform and Social Responsibility Bill. When under the leadership of the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), Labour planned for elected representatives. In the 2008 draft legislative programme it announced that its Policing and Crime Bill would include proposals to provide

"a clear and powerful public voice in decision making through directly elected representatives".

To my untutored mind, having done nearly 20 years at the Bar, that sounds remarkably similar to what we are introducing now. Labour referred to elected representatives in a policing Green Paper published in July 2008. I accept that I was in another place.

Chris Ruane: The House of Lords?

Guy Opperman: No, you are wrong. The promotion is delightful, but it is premature. Mention has been made of "Strictly Come Dancing" and other things, but I was not in the House of Lords then. Instead, I was probably somewhere near the Old Bailey. My point is that even Ed Balls has conceded that there is more to do on accountability.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. When Members are mentioned they must, of course, be referred to by their constituency not their name, and there must also be no references to "you" or to "me"—after all, I have made no decisions in this area.

Guy Opperman: The shadow Home Secretary, the right hon. Member for Morley and Outwood (Ed Balls), has said that there is more to do in respect of accountability, and there is more we can do to deepen local and force-based accountability in policing.

Mr Winnick: If I understand correctly, the hon. Gentleman was criticising the previous Government for having proposed elected police commissioners and for then abandoning the idea. That is what happened, but that is part of the democratic process. The Home Affairs Committee—which by no means has the final say in such matters—heard representations from the police authorities and senior police officers. We discussed the matter and we came to the conclusion that the Government should not go ahead with the idea. That was not decisive in influencing the Government, but there is nothing wrong with a Government listening, and in my view they made the right decision.

Guy Opperman: There were two efforts in respect of this particular proposal, and it is right that certain people have had reservations as time has passed, but let me give one particular example. Sir Hugh Orde was previously a very vocal critic, even predicting that some officers would resign, but following the Queen's Speech he has changed his position. He now welcomes a commitment to local accountability and says he would work with the Government to protect operational independence. As he put it:

"Policing has always been about serving and answering to local communities. Those are the origins of policing in this country and chief officers"

and I stress this point—

"welcome the commitment towards local accountability."

I should also make the point that this proposal has not come from out of the blue. It has been proposed in the past, and it has also been tried in different contexts in America. If we can harness this new proposal and reform the justice system in the way that, without a shadow of a doubt, it requires, we can make a genuine effort to engage in a three-pronged attack to take this matter forward.

2.48 pm

Mark Reckless (Rochester and Strood) (Con): I should first declare an interest: I am a member of the Kent police authority.

It is a pleasure to follow my hon. and perhaps learned Friend the Member for Hexham (Guy Opperman), and I particularly welcome the emphasis he placed on the need for the localisation of policing decisions, as opposed to the centralisation that went on before. It is also a pleasure to follow the hon. Member for Birmingham, Erdington (Jack Dromey), who I have not previously had the pleasure of hearing make a speech. There has been strong representation from the west midlands in today's debate, and Members representing constituencies in that area have put their case well. The Conservative party was welcomed by chief constable Chris Sims in October when he organised the security for our conference, and we were very impressed with the service we received.

May I first tackle two propositions put forward by Labour Members? The first is that morale in the police is plummeting and that this settlement will lead to a worse service being provided by them. That is not my experience; I am consistently struck by the professionalism of officers in Kent and elsewhere in the country where I meet police officers. In Kent, we have been planning for many months for these grant reductions. The work that has been done and the engagement of every different area of Kent police in finding substantial savings has been extraordinarily impressive. I have not detected any reduction in morale. Officers and staff appreciate that there has been a very serious recession across the country and in the private sector, where many people have lost their jobs, had pay freezes or had severe pay cuts, and that the police family have come through that period very well. In addition, this Government kept to the third year of the pay review that had been agreed, and I know that that was greatly appreciated in many quarters.

The second proposition relates to the debate about police numbers and the level of crime. I heard the interview that the Minister for Policing and Criminal Justice gave on Radio 4, in which he made perfectly sensible remarks, and I do not understand the excitement of Labour Members about this issue. The hon. Member for Walsall North (Mr Winnick) said that the number of West Midlands police officers had increased from 7,135 in 1996 to 8,536 this year. The level of crime did decrease over that period, certainly according to the British crime survey, which Labour Members particularly like to cite. What the hon. Gentleman did not say is that nationally quite a reduction in police numbers took place during part of that period until about 2002-03 and thereafter those numbers rose. According to the British crime survey, there was a consistent reduction in the level of crime throughout the period that started in 1994, as we heard from Labour Members yesterday. That does not correlate with the trend in police numbers over that period, so there is no simple link and it is very difficult to show such a correlation statistically.

What I know from my constituency is that police officers, effectively placed and doing the right thing, can make an enormous difference. For example, we introduced neighbourhood task teams to support neighbourhood policing. Medway has had two teams, comprising a sergeant and five or six constables, which support the neighbourhood policing teams, concentrating on particularly difficult high-crime areas. One huge success has been that, through working with other agencies, they have almost eradicated street prostitution in Chatham, which has been a problem for centuries. This is about working with other agencies. A particular team has helped bring about that success, but overall it is not possible to demonstrate a direct or simple relationship between police numbers and crime, and we need to recognise that.

Decisions on police numbers should be taken by local communities. The single most important change that we are about to see in policing is that, for the first time, this will not be about the hon. Member for Birmingham, Selly Oak (Steve McCabe) suggesting that the Home Office commission research to decide what to do, or even about this House debating what we want police numbers to be and where we want them to be; this will be a decision for each local community to take, through the commissioner who they elect to oversee and organise their police force locally. That will be a hugely healthy change from the current situation.

I have always found, both as a councillor and as a member of a police authority and in this House, to an extent that democratic oversight is one of the key drivers of value for money in public services. This is about scrutinising what the employees, the officers and the people delivering the service are doing and ensuring that they are delivering value for money for the taxpayer. I am not convinced that the same savings have been made in national Government as have been made in areas where there is more direct democratic oversight: in local government and, to an extent, in police authorities. If each Department were to report to the relevant Select Committee and the permanent secretary were to put his budget before that Committee for approval and discussion, item by item, that would help us to find savings.

The Government have set out a strong savings programme, but what I see when I participate in the budget review group and the audit and finance committee of our police authority in Kent is that members of the authority, a majority of whom are elected it is the elected members who must pass the police precept every year subject the police officers to an enormous degree of scrutiny. Through that process we have made much more substantial savings than we have been ordered to find by the centre. When we examine the reductions in police grant that are coming, the decision will be taken locally as to what the level of precept will be.

Kent's new chief constable, whom we brought in from Norfolk, where he had been deputy chief constable and had done fantastic work in improving public confidence, making significant savings and restructuring the force, said that he sees these grant reductions as an opportunity to deliver a more efficient and effective force. *[Interruption.]* Some hon. Members say that he has no choice, but very often when the money is increased by year and there is

[Mark Reckless]

not the great pressure to find savings and be efficient, it is human nature for people occasionally not to act as efficiently as they might. Perhaps more people are employed in a particular area or perhaps the focus is on something that needed to be done some years ago when things have moved on and it is not necessarily the priority it once was. It is by finding such savings and having proper democratic oversight of that process that we should be able to make our policing more efficient and effective.

Jack Dromey: The constant quest for efficiency and effectiveness is common ground between us, but what has the hon. Gentleman got to say to the people of the west midlands who are led by a chief constable who is the national champion on bureaucracy and they have a police service that has already made very significant changes to promote efficiency and effectiveness, but it now says that because of the scale and speed of what it is being asked to do, there will be significant cuts to front-line policing and some of the best, long-serving officers in the police service will be compulsorily retired?

Mark Reckless: Having a national champion on bureaucracy in the way that it has been organised by the Association of Chief Police Officers, which is an organisation that does not entirely respond to this House and has little if any statutory basis, is not the way to tackle bureaucracy. We have had far more success in finding savings in Kent by having a majority of elected members who sit down with the officers who spend the money.

Keith Vaz: The hon. Gentleman rightly says that the work is best done locally, and he showed me the good work being done in Kent when I went to visit his constituency, but there is a need to share good practice. What I saw in Rochester and Strood ought to be rolled out in other parts of the country. So even though the savings are made locally, there needs to a mechanism – it could be the Home Office or this could be done through Jan Berry—that will make sure that other police authorities can follow what Kent is doing.

Mark Reckless: I thank the right hon. Gentleman, the Chair of our Home Affairs Committee, for his comments. He has kindly arranged to use our website to promote some of that good practice, such as the safe exit scheme and our offender management unit, in which we are working closely with probation and other agencies. There is enormous scope for savings through such collaboration.

I do not understand why most forces in the country are not making significant savings through collaboration. I know that Hertfordshire and Bedfordshire have quite a strong programme, but I have not seen any other forces that have anything like the level of collaboration or are making the savings that have been delivered in Kent and Essex. That might be because the forces and counties of Kent and Essex are of a similar size and there might not be the sensitivities about one force being perceived to be taking the lead. It might also be because the personalities and individuals involved are particularly committed to the process. We now have, however, one single directorate to deal with all organised, serious and major crime. A substantial number of police officers have been transferred from each force into a joint directorate that reports to a single assistant chief constable. We have a single director of IT and we procure all our services through a joint procurement centre, and I do not understand why other forces have not taken the opportunity to find savings so that they can reinvest them in the front line. It is happening to an extent, but collaboration elsewhere has been very disappointing.

I am speaking about collaboration not just between forces but between different agencies, such as working with councils—a point we heard about from my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti). In Medway we have a basic command unit that is coterminous with the unitary council. That might have assisted us, but it is by working as a team and focusing the resources on the areas where the public want to see them used that we have managed to find savings, to cut crime and to improve confidence at the same time.

Although the process is different in policing from elsewhere in the public sector, there will be the introduction of directly elected police commissioners alongside the front-loading of the reductions, the potential pay freezes for two years and the review of terms of conditions—and I greatly welcome the work that Tom Winsor is doing. I made the point in my ten-minute rule Bill about the importance of police forces' being able to make a rational decision about how many officers, PCSOs and other civilians they need—that issue has also been mentioned by my hon. Friend the Member for Amber Valley (Nigel Mills) and the hon. Member for Birmingham, Selly Oak—and it is essential that forces should have the freedom to make that decision. I am delighted that Tom Winsor is working so hard on that and we look forward to his interim report in February. We must knit together the democratic control and the greater efficiency through collaboration, as well as have as a sensible review of terms and conditions while recognising how much the police do and what they do to serve this country and our communities. These estimates and the proposals for directly elected police commissioners are the way forward. They will lead to a revolution in policing in our country that will put the public in charge. It is possible for that to happen even in the tightened financial environment in which we find ourselves.

3.3 pm

Graham Evans (Weaver Vale) (Con): In the current economic climate, the police must play their part and do more with less. That is not an unreasonable request. The private and public sectors have had to make significant reductions and changes in working practices. Opposition Members constantly cite cuts of 20%, but taken over five years that works out as a 4% cut each year over the next four years, taking into consideration the fact that some funds can be raised under the local council tax precept.

There have been references to cuts in front-line officers, and I would like to offer some solutions. Politicians often come up with problems and talk about them in this Chamber for many hours, but they do not always come up with solutions. It concerns me when I hear chief constables and Opposition Members talking about cuts to the number of front-line officers.

Since I was elected for Weaver Vale, which is a mid-Cheshire seat, I have spent as much time as I can with the Cheshire constabulary, going out on night shifts in Runcorn on a Friday night and, last Friday night, in Northwich.

Steve McCabe: I was interested to hear the hon. Gentleman's comment about a rise in the precept. Obviously it varies across the country. What level of increase does he think he would be able to persuade people in his part of the world to accept?

Graham Evans: It varies from community to community. When I was a local councillor, there was much concern about antisocial behaviour. Despite many attempts to get the local police to spend more time on the street corners, as there was concern about youths allegedly causing trouble, they could never afford the time. The parish council made a decision significantly to increase the precept to pay for the new police community support officers. I cannot give the hon. Gentleman a precise figure, but it could be significant if that community decided to increase the precept to allow a dedicated community support officer for that particular area.

The police do their best to meet the public's expectation of having officers on the beat, but no police force can have officers on street corners every Friday, Saturday or Sunday night. The public expect to see officers on the beat, walking around, but that is not always physically possible. Credit should be given to the previous Government for the way they introduced police community support officers, because they made a difference to the perception as well as the quality of life of many citizens. Local communities can get together to pay for PCSOs.

Front-line cuts have been mentioned many times. If there is a freeze on recruitment and pay, over a few years there will be a reduction in the number of regular police officers. However, I do not hear the role of special constables mentioned in this House. I can only refer to Cheshire constabulary, but for many years the chief constables of Cheshire have spent a lot of time training and recruiting special constables.

Last Friday we had a particularly long and frosty evening. A dozen officers were on duty from 7 o'clock in the evening to 3 o'clock in the morning, half of them special constables. I was a special constable in the 1980s, so before I went out I tried on my old uniform. It fitted where it touched, so I quickly put it back in its suitcase and back in the attic. Before I went out, I looked at the Police and Criminal Evidence Act 1984 and various police reforms that were made in the '80s so that I could prepare myself for what is going on in the 21st century.

In fact, I was pleasantly surprised by the professionalism of the special constables. Half a dozen were on duty on that evening. Each one is a volunteer and an unpaid volunteer, which is not often mentioned. I hear Opposition Members talking about the big society, and there is no better example of it than the special constabulary. It comprises ordinary members of the public serving their community and they are unpaid. That is not to say that members of the special constabulary do not have the ambition to join the regular force—they do.

My point is that we have a wonderful opportunity to recruit special constables at this difficult time, when there is a freeze on regular recruitment. The training for specials is exactly the same as that given to regular policemen. If an individual wants to join a police force, they can join the special constabulary, although they will not be paid, and can train over the next two or three years while there is a recruitment freeze. During those two or three years, they can learn the ropes and how to become full-time policemen. I am sure that when they submit their CV and application to become a regular police officer in two or three years' time, their experience will be taken into account by the chief constable. That would enable the communities I serve and represent to have front-line policing, because special constables carry warrants and can make arrests. Indeed, they can do everything that regular police officers can do.

On Friday night, I went out with the police in a minibus, in a Panda car and on foot—walking the main streets of Northwich. Policing is not straightforward. I often hear comments from the public and Members about wanting officers not in cars but on the beat, as though one could simply wave a magic wand to achieve that. If the police are to serve the whole community, there will be times when they need to be in patrol cars and times when they need to be on the beat.

Steve McCabe: I share the hon. Gentleman's view that special constables make an important contribution; I have seen it for myself when I have been out on patrol with them, so I totally agree. However, they are additional officers and the average borough commander cannot place them on the rota because he is never sure how many might be available. There is a difficulty with the suggestion that the hon. Gentleman seems to be coming close to making which is that the specials should substitute for the officers who have been lost through cuts. If that approach were taken, it would become harder to plan basic policing operations because the commander would not know how many specials would be available at any given time.

Graham Evans: The hon. Gentleman makes a good point and I agree with him, but the situation varies from force to force. The leadership and management of individual forces are important; best practice has been mentioned in that regard. Cheshire constabulary has invested a lot of time in special constables because the force is relatively small, and I respectfully suggest that other forces—I am not thinking of any particular force, but perhaps the metropolitan and larger forces—could learn a thing or two about recruiting specials.

The hon. Gentleman says that the officer in charge of his constabulary is never sure how many specials will be on duty at a certain time, but this comes down to leadership and management. The senior officers in my constituency know exactly how many special constables will be there on the all-important Thursday, Friday and Saturday nights, which is when additional help is strongly appreciated. I have spoken to special constables who have ambitions to become regular policemen. They work during the day and volunteer their time in the evenings, including Thursday, Friday and Saturday. I do not say that they could be a long-term replacement, but merely point out that in the short term I do not accept what I hear chief constables say about front-line cuts in officers. There are creative ways in which specials can be used as a solution in the short term, rather than talking about headline cuts.

PCSOs also play an important role and really involve themselves in the community. I have heard worrying stories about many PCSOs being lost across the country,

[Graham Evans]

but they can be paid for through local precepting in town and parish councils. I also find that moneys are held in town and parish council accounts for emergencies. I encourage all chief constables and senior officers to look around their communities to see whether any funds have been siphoned or hidden away for a rainy day. I get very concerned when I hear about those vital officers being made redundant, because I do not accept that it is necessary, especially in the short term.

When I went out on Friday night and in Runcorn previously, I was struck by the fact that Cheshire force sends its police out singly. They go out on their own but have significant and efficient back-up available at a moment's notice, which means that there are many police officers on public view. Earlier, I heard it said that 11% of officers are available at any one time, but in Cheshire a significant number of officers are out on the beat working on their own, and support is there for them very quickly if need be.

Cutting the amount of police time spent on paperwork has not really been mentioned. A previous Prime Minister talked about being tough on crime and tough on the causes of crime. One thing that we could do as a society and as a country is to tackle the abuse of alcohol. Virtually every call on Friday evening involved people who were badly intoxicated and reliant on alcohol. They had lost structure in their lives and it was quite pitiful to be called to the streets or their homes to assist them.

I cannot help feeling that local authorities that grant long, late-night licences to clubs in town centres and elsewhere, enabling alcohol to be served at 2 and 3 o'clock in the morning, put huge pressures on police authorities and forces. Things might be relatively quiet until 11 o'clock at night, but at 2 o'clock in the morning there is mayhem on the streets with intoxicated people brawling. On Friday night—I was told that it was a relatively quiet night—PC Frost was out in force but there were still several arrests of people fighting in the streets of Northwich. Local authorities have a big role to play and they need to communicate better with the police regarding recommendations on late licensing.

Mark Reckless: My hon. Friend refers to PC Frost and the need for other agencies to work with the police as appropriate. Is he aware of an incident in Kent in which the police control centre received a call—this has been publicised—from a woman asking the police to come out because someone had stolen the snowman she had built in her front garden?

Graham Evans: Yes, we were laughing about that on Friday night. The Kent accents were particularly distinct and we had a laugh about it. There are still plenty of snowmen in Cheshire—at least there were when I left on Monday. *[Interruption.]* Snow joke indeed.

Local authorities will grant late night licensing to pubs and clubs on the one hand, but on the other they are particularly restrictive regarding new businesses. In my area, a new application has been submitted for a restaurant bar in a particularly pleasant location, but because it is a continental-style restaurant—it has no taps on the bar and serves continental lagers and wine by the glass—the local authority restricts its licence. People have to drink up by 8 o'clock and the doors have to be closed, which makes the business unviable. We need to look at our licensing laws and help the police do what they are supposed to do, which is to protect us from violent criminals.

To sum up, police forces do not have to cut front-line policing but should utilise the special constabulary. If people want to become police officers, there is no better way of showing commitment than by volunteering their time and serving their community in the current difficult economic climate.

3.18 pm

Mr Aidan Burley (Cannock Chase) (Con): It is a pleasure to contribute to this constructive and well-mannered debate. Members on both sides of the House have expressed their genuine concerns in a fairly non-political way.

There has been much speculation today and in the past few weeks about the possible effects of the cuts. It is pure speculation because we still do not know what the individual settlements will be. It is disappointing to Members on the Government side that the Opposition still have not had the good grace to tell us where they would make their cuts. I thought that the answer given by the right hon. Member for Leicester East (Keith Vaz) when he was pushed on this issue was very interesting. Essentially, he said that he would go back to the Treasury to ask for more money, so perhaps the Opposition do not accept there should be any cuts whatever in policing. It would be interesting if that point were addressed in the winding-up speech.

I want to address an issue at the core of this debate—the effect that the reduction in funding will have on police numbers. I know that that is a totemic issue for the Opposition, and it is easy to understand why, because the Labour Government, in their 13 years in office, were very successful at one thing: persuading this country that only by pouring more money in can we get better results out. That is why the debate about policing has always focused on the number of police rather than what they do all day. *[Interruption.]* We have a record number—140,000—as someone shouts from a sedentary position, but seemingly, simply because we have record police numbers and PCSOs, Labour Members think we have record effective policing. That is simply not an equation that works.

Labour Members do not care whether police officers are on patrol, filling in forms or responding to jobs. They seem incapable of acknowledging that having more and more police officers doing more and more administrative and bureaucratic tasks does not mean better policing. Sadly for the Opposition, the debate has moved on. They need not take my word for it; they can take that of someone who knows more about policing and fighting crime than all of us in the Chamber put together—Bill Bratton, who was chief of police of the Los Angeles police department, of New York city and of Boston. He is famous across the world for putting the broken windows theory into practice. He introduced the CompStat system of tracking crimes, which is still in use today and massively reduced crime in New York city, where he devolved decision making to precinct level and got rid of a backlog of 50,000 unserved warrants. When he was chief of police in Los Angeles,

crime within that city dropped for six consecutive years. In 2007, the LA police commission reappointed Bratton to a second five-year term, which was the first time it had made such a reappointment in almost 20 years.

It is fair to say that that guy knows what he is on about, and here is what he said to the Home Affairs Committee on 30 November. The Chair, the right hon. Member for Leicester East, said:

"There is a debate at the moment, obviously because of the current economic climate that will result in the numbers of police officers in a local area being reduced. Do you think there is any correlation between the numbers of officers in a particular area and the level of crime?"

Bill Bratton replied:

"As a police chief for many, many years, I would always like to have more police, but the reality is it is not just numbers but, more importantly, what you do with them. More is fine, but if they're just standing around or if they're not focused on issues of concern to the public, then those numbers are not... going to achieve what you would hope to achieve, which is improve public safety and reduce crime."

Steve McCabe: It is only fair to say that Bill Bratton went on to caution the Select Committee against drawing too many conclusions from the American experience, because policing is organised very differently in the United States.

Mr Burley: I shall give another quote from what Bill Bratton said to us:

"So, I had 38,000 police officers in New York City. In Los Angeles I had 9,000. Los Angeles: 500 square miles, worst gang problem in America, 4 million residents. New York: 38,000 police officers, 300 square miles, 8 million residents, a drug crime problem. To have the equivalent of what I had in New York City in Los Angeles, I would need 18,000 police officers. I only had 9,000 but, over a seven-year period, every year crime went down in Los Angeles... the public perception of police and their effectiveness improved",

which reinforced

"the adage: it's not so much the numbers but how you use them, how you inspire them, how you direct them and what their priorities are."

If it is not a matter of numbers, it is about what the police do all day, and the fact is that in this country the police spend a huge amount of time filling in forms. On 15 March 2007, I went out on the beat in Paddington with the Met, one of the more advanced forces in this country. This is what Met police have to fill in for a single domestic violence incident: a124D paper booklet in the victim's house; an evidence and actions booklet, which is the same as an old pocketbook, but with structured questions; a custody record, in the station if someone is arrested, with the same details as are in the EAB, which they give to the custody sergeant to rekey into his computer system; a CRISS report, which is an electronic crime report filled in by the officer at the station and that is used for Home Office statistics; a MERLIN report, which involves a national computer system with details of vulnerable children from domestic violence backgrounds—the same details as in the first two forms; a CRIMINT report, which is a Met police-wide intelligence system; and the case papers—that is, the MG forms, which are Word documents that get sent to the Crown Prosecution Service for court. It is not uncommon in the Met and other police forces for officers to be off for the rest of the shift following one domestic violence incident arrest. That is what they are spending their time doing—this mad bureaucracy and paperwork. It is not about the number of police officers; it is about what they do all day on their shifts.

As we have heard recently, Home Office figures have revealed that officers now spend more time on paperwork than on patrol—just 14% of their time on patrol compared with 20% on paperwork. That is why I am delighted that this coalition, like Bill Bratton, is dealing with the reality of the cuts by focusing not on police numbers, but on what the police do all day. Only by clearing away this bureaucracy and these inefficient, wasteful practices will we get the police service that this country deserves.

3.25 pm

Keith Vaz: With the leave of the House, I thank you, Mr Deputy Speaker, for letting me speak at this point in the debate. I shall explain why I am doing so. It is a pleasure to follow the hon. Member for Cannock Chase (Mr Burley), who is the youngest member of the Home Affairs Committee. That is my cue to say that the second Wednesday in December is the date of the annual Westminster children's party for the children of MPs and staff. I am the host, as I have been for the past 14 years; my right hon. Friend the Member for Morley and Outwood (Ed Balls), the shadow Home Secretary, is Santa Claus, so please do not detain him for too long. Unfortunately, I am therefore unable to be present for the end of the debate, although I wish I could be. I will certainly read with great care the report of the speeches made by my hon. Friend the Member for Gedling (Vernon Coaker), the shadow Minister, and by the Minister.

The debate has been outstanding, with some excellent speeches, and I commend the hon. Members for South Dorset (Richard Drax), for Amber Valley (Nigel Mills), for Hexham (Guy Opperman) and for Weaver Vale (Graham Evans), as well as my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) and the hon. Members for Carshalton and Wallington (Tom Brake) and for Broxtowe (Anna Soubry). I also commend the four members of the Home Affairs Committee—my hon. Friends the Members for Walsall North (Mr Winnick) and for Birmingham, Selly Oak (Steve McCabe), and the hon. Members for Rochester and Strood (Mark Reckless) and for Cannock Chase—for their contributions.

This debate gives us the perfect setting for hearing what Front Benchers have to say about these issues. I can pledge to Parliament—we have been elected by the whole of Parliament, with members of the Committee elected by their party groups—that we will look at the policing issue very carefully indeed. We will produce thoughtful reports. Sometimes, obviously, we will have to be critical of the Government. When they are doing the right thing we will praise them. I can promise the Minister that we will ensure that the reports are thorough, and that they help him and the rest of Parliament to deliberate on these very important issues. I shall now hand over to those on the Front Benches.

3.27 pm

Vernon Coaker (Gedling) (Lab): As my right hon. Friend the Member for Leicester East (Keith Vaz) has said, this has been an interesting and thoughtful debate, with a large number of contributions from both sides of the House. Before my right hon. Friend rushes off to his

[Vernon Coaker]

important engagement, may I say to him that his chairmanship of the Select Committee over the past few years has been a model of how to chair a Select Committee? There are difficulties sometimes, because we all have party allegiances, but he knows that one of the strengths of the Select Committee system is the way in which it tries to bring some independence of thought to proceedings. That is particularly important when it comes to the Chairs of those Committees. He has chaired the Committee exceptionally well, and I look forward to reading its further reports on policing matters.

I also congratulate my hon. Friends from the west midlands, my hon. Friends the Members for Birmingham, Erdington (Jack Dromey), for Birmingham, Northfield (Richard Burden), for Birmingham, Selly Oak (Steve McCabe) and for Walsall North (Mr Winnick), who met and made representations to the Minister about their concerns regarding the policing reductions that we will see over the next few years. I hope that when he makes his winding-up speech he will comment in particular on the points that they made.

I shall not pick out every Government Member who spoke, but I found it interesting that the hon. Member for South Dorset (Richard Drax), for example, should make a plea for opening police stations—because the Minister is going to close them. I am sure he will have an interesting debate with the Minister about that, but he made an important point about the need for community and neighbourhood policing, and let us hope that, whatever happens over the next few years, neighbourhood policing and police presence on the street will be effectively maintained.

The hon. Member for Hexham (Guy Opperman), whom I cannot see in the Chamber at the moment, made an important point when he said that this is all about choices. Indeed it is. He defended the choice before us on the basis of economic necessity, but our view is that the police have fared particularly badly in the budget settlement and comprehensive spending review. Other Departments have fared significantly better, so somewhere along the line a choice was made about the budget settlement for the police, as opposed to the budget settlement for other Departments.

I should like to praise the police service, police officers, police community support officers, police staff and, indeed, police authority members for the excellent work that they do. We have seen it in London, in particular, over the past couple of weeks, but in other parts of the country, too. When we have these debates, it would be remiss of us not to put on the record every time the wholehearted support of all Members for the police throughout the country, and for their hard work. To be fair, I know the Minister does that. There might be differences between us over how we provide that support, but we need always to recognise their dedication and public service, and the duty that they perform on behalf of all of us throughout our country.

Helped by a record number of police officers, crime fell by 43% under the previous Government, and the chance of being a victim of crime is at a 30-year low, but the Government's cuts to policing, starting next year as the estimates for 2011-12 show, will put that progress at risk. By cutting police funding by 20% over the next four years, the Government are taking big risks with the public's safety and undermining the fight against crime and antisocial behaviour.

The speed and scale of the Government's cuts have put police forces and chief constables in an impossible position. A number of forces have already announced plans to lose thousands of police officers and police staff, blowing apart the Government's claims that the front line can be protected. Indeed, many of the most experienced officers in our police forces will have to go.

People will be rightly worried that, at the same time as cutting funding for front-line police, the Government want to spend more than £100 million on bringing in directly elected police commissioners—a sum that, according to the Association of Police Authorities, is equivalent to 600 police officers. That controversial experiment risks politicising the police at huge cost to the taxpayer, and it will do little to improve police accountability.

The coalition's spending review announced that central Government police funding will be cut by 20% in real terms by 2014-15. Funding allocations for individual police forces are expected to be announced in the next few days, so perhaps the Minister will enlighten us on when that will be. Following consultation, a further debate will be possible, as we will know more about the impact on all individual forces. The hon. Member for South Dorset and others, including the hon. Member for Amber Valley (Nigel Mills), made the point about what that will mean for individual police forces throughout the country.

The biggest cuts will be next year and the year after, with funding reduced by 6% in 2011-12 and by 8% in 2012-13. Front-loading the cuts will make it even more difficult to minimise the impact on front-line policing through efficiency savings. The Minister has just received a letter from senior Conservative, Liberal Democrat, Labour and independent members of the APA, urging him to reconsider the front-loaded cuts in 2011-12 and 2012-13 in order to

"avoid long-term damage to policing capability".

The letter warns that the current cuts timetable will also mean fewer police community support officers and could affect the

"safe and secure delivery of the Olympics"

in 2012.

Those cuts go way beyond what experts believe can be achieved through efficiency savings and better procurement. In other words, a 6% cut next year is too much. Coalition Ministers have regularly quoted from the report by Her Majesty's inspectorate of constabulary, "Valuing the Police: policing in an age of austerity", which was published in July, and it says that a "re-design" of the police system could

"at best...save 12% of central government funding, while maintaining police availability".

The front-loaded cuts of 20% that will start in 2011-12 go significantly beyond that.

A number of Government Back Benchers have said that police forces across the country can make efficiency savings without impacting on the front line. The hon. Member for Cannock Chase (Mr Burley) asked what the Opposition have said about that. The previous Home Secretary made it clear that he accepted the 12% figure and the HMIC report. However, the present Government propose to go beyond 12% to 20%.

The Minister for Policing and Criminal Justice (Nick Herbert) *indicated dissent.*

Vernon Coaker: The Minister will hide behind local precepting and councils raising money to make up some of the gap, but that is smoke and mirrors—a sleight of hand. There is a 20% reduction in central Government funding to police forces across the country. That goes beyond the HMIC recommendation. Hon. Members must understand that although some money can be saved through efficiency, that amount cannot be saved without impacting on the front line.

Mark Reckless *rose*

Vernon Coaker: I will give way after I finish this point. The Home Secretary failed to fight the police's corner in the spending review negotiations, so it falls to Parliament to stand up for the law-abiding public against these reckless cuts.

Mark Reckless: Does the hon. Gentleman not recognise that the difference between 20% and 12% that he describes makes no allowance for savings from things such as a pay freeze and changes in terms and conditions?

Vernon Coaker: I am quoting the Green Book and the HMIC report. We will see over the next one, two, three and four years whether the hon. Gentleman is right in the statistics that he has quoted from this book—that saving and this saving. We will see whether what he says stands up in police forces in Kent, Nottinghamshire, the west midlands and elsewhere across England and Wales, or whether we will see massive losses of police officers, police community support officers and police staff. Then we will see who has understood the statistics and figures correctly, and who is actually right. I will have a side wager with the hon. Gentleman, and it will not be me who is out of pocket, but him.

I repeat the call that has been made to the Home Secretary and other Ministers to go back and say to the Treasury that the police spending settlement is not acceptable, that it must be reopened and improved. Will the Minister give us that commitment in discussing the estimates for 2011-12, or does he just intend to carry on with the settlement as it stands? As the hon. Member for Hexham said, choices are available to the Government. The Minister can try to argue for a better deal, like those for schools, hospitals and the Ministry of Defence. The big casualty in the comprehensive spending review was the Home Office, and therefore the police service and police forces of this country. I know that the Minister says that there is no link between levels of crime and police numbers, but that is not what the public say.

Let us look at some examples. The hon. Member for South Dorset is already getting cold feet about reductions in police officer numbers in his area, and he will not be the only one. Hon. Members will have to go back and say that things will be tough. There will be police officer cuts across the country: Greater Manchester police have announced a cut of 1,387 officers and 1,557 staff; North Wales police have announced that 440 posts will be cut, made up of 230 police officers and 210 staff; Northumbria police have announced a cut of 450 civilian staff; Thames Valley police have announced 800 staff cuts, but there is no breakdown between police officers and police staff; and West Midlands police have announced a cut of 2,200 posts, made up of 1,100 police officers and 1,100 staff.

Whatever the book says, and whatever Government Members say, I am willing to go to each and every one of their constituencies and ask the public whether they want fewer police officers or more police officers on their streets. I will ask them whether they believe that the Government should have prioritised police spending more in the Budget so that police officer posts, police staff and PCSOs could have been protected, or whether they were a price worth paying.

A few months into this new Tory-led Government, I believe that people will be astonished that police recruitment has been frozen, thousands of police officer posts are to be lost and experienced police officers will be forced to retire, including in my own area of Nottinghamshire.

Anna Soubry (Broxtowe) (Con): Could the hon. Gentleman help us by telling us what percentage of the budget his party would have cut had it been returned to government, and what the consequences would have been for police numbers? It is a fact, is it not, that Labour would have cut the budget by 20% and made as many reductions in police numbers?

Vernon Coaker: That is not the case. The hon. Lady will know, as I pointed out earlier, that we would have accepted what the HMIC report says. The previous Home Secretary made that clear. That report is clear that the level of savings set out in it can be made over four years without having an impact on the front line, but that if cuts go beyond that, they will have an impact on front-line and visible policing.

On top of what I have just mentioned, the number of police community support officers will go down and police staff numbers will fall dramatically. Coalition Members will have some explaining to do when they go back to their constituencies. The estimates for 2011-12 will be just the start, unless the Minister and his colleagues start to stand up for the police. They should stop defending the cuts and start defending the police and the communities that they serve.

3.41 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I welcome the opportunity to join in this debate, and I welcome the introduction to it by the Chair of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), and the report that his Committee has just published. I am sorry that he is not here to listen to these final contributions, but I understand why he has had to leave. The Committee's report was very helpful, and we look forward to its further reports.

There have been a number of important and useful contributions to the debate, and I hope to address them during the course of my remarks. I am afraid I did not think that the shadow Minister's response did justice to a number of the serious points that were raised by Labour Members as well as by coalition Members about the importance of police deployment, how savings are to be driven in the police and the value of leadership. My hon. Friend the Member for Carshalton and Wallington (Tom Brake) particularly mentioned the important role

[Nick Herbert]

that police authorities will have in the next few months in driving value for money and helping police forces deliver leadership.

Let us begin by discussing what we agree about. We all agree about the importance of the police and of valuing them. The hon. Member for Gedling (Vernon Coaker) was absolutely right to take the opportunity, as I always try to do, to thank the police for what they do. I am sure that they are in action once again just outside the House in relation to the protest that is being run again today. Every day, police officers act to keep us safe and many of them take risks in doing so, and we should thank them for their work. They are an immensely important public service.

I apologise to Members of all parties, because I am afraid I will not be able to indicate the provisional grants for individual forces today. We will announce them before Christmas, and there will be the usual parliamentary debate on them next year. As all Members will understand, I cannot therefore comment on individual forces' specific grant issues. I can say that I am paying the closest attention to hon. Members' representations, including those from the West Midlands force area. I will continue to do so after the provisional allocations are announced.

The backdrop to the debate is the spending review. Given the contributions of most right hon. and hon. Members, I do not think it appropriate to rehearse at great length why the Government have to take the action we are taking. I would just point out that we believe it necessary to deal with the largest deficit in our peacetime history, and that debt interest payments alone this year, at more than £40 billion, are far greater than the combined spend of the Home Office and the Ministry of Justice.

We announced a reduction in police spending in the review because we believe that dealing with the deficit is essential, and that the police can and must pay their share

Ed Balls (Morley and Outwood) (Lab/Co-op): Share?

Nick Herbert: The police must pay their share in reducing the deficit. Contrary to what the Opposition suggest – that a poor deal was secured for the police – the deal was rather better than expected in relation to non-protected Departments.

It is important to point out that the fact that the reduction in central Government spending on the police is 20% over four years – that is clear from the settlement – does not mean a 20% reduction in the amount of money that forces will have over the period. That is an immensely important point, but I am not sure that the Opposition have fully grasped it. There is a straightforward reason: forces do not raise all their money from central Government – on average, they raise getting on for a third of their money from central Government, or nearly £1 in every £3 – and the money that they raise locally is not being cut.

As has been pointed out, that means that if we assume both the OBR forecast of reasonable rises in the precept based on – *[Interruption.]* The OBR forecast is based on the historic trend and the precept freeze, which the Government are funding next year. That reduces the cut in police force funding over the four-year period to 14% in real terms. The Opposition must explain why they believe that the 12% cut that they concede they would have made to policing, based on HMIC advice, would leave forces strong and secure – I assume that they would not otherwise have proposed that – but that a 14% cut is Armageddon, with all the consequences that the hon. Member for Gedling says will flow?

The difference between a 12% cut in real terms and a 14% cut at the end of the four-year period is £200 million, and the Government are making specific additional proposals, to which my hon. Friends referred, including the review of pay and conditions, which is being set up by Tom Winsor. We also expect the police to take part in the two-year pay freeze, subject to the agreement of the police negotiating board, which will close that £200 million gap. Labour Members simply have not answered the question. Why do they feel able to go around campaigning on, and scaremongering about, the impact of the spending reductions that forces are being asked to make? They are clearly and simply seeking to make political capital out of the situation, yet they would have cut the police budget themselves, in precisely the same order of magnitude as that which the Government have announced – the availability of resources to the police would have been precisely the same. They are perpetrating on the public a great fraud about their position.

Steve McCabe: I do not think that the Minister is deliberately trying to mislead the House, but is it not fair to say that the 12% cut that the former Home Secretary mentioned would be subject to exactly the same precept conditions, so it would have been reduced in the same way as he has reduced his 20% cut to 14%? He has therefore inadvertently misled the House on that point. Of course, he also completely misleads the House in relation to the west midlands

Madam Deputy Speaker (Dawn Primarolo): Order. The hon. Gentleman may disagree with the Minister, but he cannot accuse him of misleading the House because he is using figures that the hon. Gentleman does not agree with.

Steve McCabe: I am happy to apologise. I was suggesting that the Minister was inadvertently misleading the House by quoting figures that do not stand up to scrutiny.

Madam Deputy Speaker: Order. I heard the hon. Gentleman very clearly and he said it twice. I am glad that he has clarified that he believed that it was not deliberate.

Nick Herbert: I repeat that the Opposition proposed cuts of exactly the same magnitude. Indeed, the shadow Chancellor – when he was shadow Home Secretary – told the House on 8 September that as Home Secretary he had set out savings of £1.3 billion over the next four years, or about 12% of the Home Office budget. He also said that the HMIC report confirmed that, with a lot of effort, it would be possible to save 12% without affecting front-line services – *[Interruption.]* Those are not my words: they are the words of the shadow Chancellor.

As I pointed out on Monday, the shadow Home Secretary told the Home Affairs Committee seminar in Cannock on 22 November that this is a tighter environment for police spending and would be under any Government. Let us nail once and for all the idea that the Opposition would not have cut police spending. They would, and they have admitted it. The order of cuts that they would have made in police spending is exactly the same as we are asking the police to make now—

Richard Burden: Will the Minister give way?

Nick Herbert: No, I am going to make some progress if the hon. Gentleman—whom I met this morning—will forgive me.

The hon. Member for Gedling referred to the letter that the Association of Police Authorities sent me asking for a re-profiling of the cuts. I note that it did not ask us to revisit the overall level of the cuts. I am afraid that it is not possible to revisit the spending review. The settlement, which did not presume that the deepest cut would be in the first year—*[Interruption.]* It will not be in the first year. The settlement fully takes into account the savings that we expect to be made as a consequence of the pay freeze that we expect the police to undertake, which the Opposition have unfortunately discounted in all their considerations.

One of the signatories to the letter is Ann Barnes, the independent chairman of Kent police authority, who is also, I believe, a vice-chairman of the Association of Police Authorities. She is no fan of the Government's proposals to introduce directly elected police and crime commissioners. Nor, by the way, is she one of the hon. Gentleman's friends who oppose the policy while secretly planning to run for office. Ann Barnes issued a news release about that letter in which she said—and it is important that hon. Members hear this—

"I do not think police capability in Kent will be compromised. Neighbourhood policing is the bedrock of policing in Kent and despite the reductions, we are confident that people will see little difference in the level of policing delivered locally."

She was very much reflecting the views that have been put sensibly by my hon. Friends—who have been discussing these issues with their chief officers—that, across the country, chief constables are making every effort to protect front-line policing and that some are guaranteeing that they will protect neighbourhood policing. There is an enormous discrepancy between what chief officers are saying about the impact of these spending reductions on service delivery and the Opposition's claims that there will be some catastrophic collapse in policing.

Richard Burden *rose*—

Nick Herbert: I will make a bit of progress because I am short of time, and then I will give way.

We are confident that these savings can be made because, in part, of the evidence of Her Majesty's inspectorate of constabulary, backed up the Audit Commission. HMIC has said that it is possible for forces to make savings of more than £1 billion a year—12% of the annual budget—through things such as improving productivity, cutting costs, sharing services and addressing savings in the back and middle offices of police forces. In addition, further savings can be realised through areas such as better procurement, although some of those savings were included in the HMIC report.

It is significant that the hon. Member for Gedling and the right hon. Member for Morley and Outwood (Ed Balls) never refer to those issues. They never talk about the savings that could be made by forces, and they are simply unwilling to engage in the necessary debate about how to increase and improve deployment, given the fiscal constraints that confront us.

Ed Balls: To avoid any further inadvertent misleading of the House, will the right hon. Gentleman confirm, first, that the HMIC report that refers to 12% deliverable cuts refers to cuts over four years and, secondly, that it refers to cuts in central Government grant? The HMIC report referred to 12% cuts in central Government grant; the Government are proposing a 20% cut in central Government grant. Will he confirm the difference in those figures and that that was what HMIC recommended?

Nick Herbert: I would have thought that the right hon. Gentleman understood this. The HMIC report was not referring to grant; it was referring to the savings that can be made by police forces. I strongly advise him to read the report again. It is important to understand the savings that could be made by police forces. Hon. Members could then work together sensibly and constructively, as urged by the Chairman of the Select Committee, the right hon. Member for Leicester East, to support forces in delivering savings.

Police forces and authorities spend about £2.8 billion every year on equipment, goods and services. Ending the practice of procuring things in 43 different ways could drive down the costs of goods, services and equipment by £200 million annually by the end of the spending review period. Furthermore, there is the issue of IT. I wonder whether the right hon. Gentleman knows how many different IT systems there are across our 43 forces. There are 2,000 different systems and 5,000 staff involved with them. The information systems improvement strategy programme on savings in IT could save another £180 million annually by transforming how police information systems are developed, procured and implemented. We are convinced that further savings could be made.

It is important for hon. Members to reflect on the fact that half of all spend by police forces is on the middle and back office. The people in those offices are not involved directly in crime fighting activity—although they do important things, such as providing direct support for the front line or keeping the organisation running. Not only is half of all spend made in those areas, but a quarter of all police officers—I am talking about sworn officers—are employed there. HMIC believes that significant savings can be made in the middle and back office by better management while, at the same time, protecting the front line.

Richard Burden: The right hon. Gentleman will know that the chief constable in the West Midlands force is looking at all those kinds of savings and more. However, he will also know that that will not do the job in West Midlands. Why not? That is because of the disproportionate reliance in West Midlands on the central Government

[Richard Burden]

grant, which we have urged the Minister to address time and time again. I am pleased that he is listening to us on that. However, I would like an assurance from the Minister today not only that he will listen, but that when he comes back to the House, he will do something about the problem.

Nick Herbert: I cannot pre-announce the grant determination. I met the hon. Gentleman this morning, and I will of course pay attention to the particular circumstances of West Midlands police if they are receiving less funding from local government. However, I would also like to draw his attention to what the chief constable of West Midlands has said:

"I remain absolutely confident that we will continue to protect and serve people in the West Midlands in the way they expect."

That is a familiar message, because it is also the one being sent out by chief constables up and down the country, who are rising to the challenge of delivering services.

While the shadow Home Secretary, the right hon. Member for Morley and Outwood is here, I wonder whether he will take this opportunity to apologise for what he said on Monday, when he described the figure of 11% of force strength being visible and available to the public as a "smear" and a "corrupt and erroneous statistic". That was a reference to the report by Her Majesty's inspectorate of constabulary. I find it difficult to believe how the right hon. Gentleman could describe something in such a report as a "corrupt and erroneous statistic" or say that Her Majesty's inspectorate of constabulary was seeking to "smear" police forces.

There is an issue about the visibility and availability of police officers, and we have to address it. The report said that

"general availability, in which we include neighbourhood policing and response, is relatively low. Several factors have combined to produce this 'thin blue line' of which shift patterns, risk management, bureaucracy and specialisation are the most significant"

bureaucracy being one of the factors that needs to be addressed. The real question for this House is why, at a time when we had achieved record resourcing for policing, a record number of police officers and a record size of the police work force, we had visibility and availability at only about 11% of force strength. I agree with the inspectorate of constabulary that that figure is too low. We need to have a sensible debate about how we can address shift patterns, bureaucracy and the drift of officers into specialist units, so that we can protect that visibility and availability, which all my hon. Friends—indeed, all Members of the House—want to improve.

Ed Balls: I will happily take this opportunity to say that I wrote to Sir Denis O'Connor yesterday on the matter, and I copied the letter to the Policing Minister. In that letter I say that I have not criticised—and will not criticise—the 11% statistic, which was drawn up by HMIC. What I have consistently criticised is the way in which that statistic has been used, in a misleading and smearing way, by Ministers—the Home Secretary, the Prime Minister and the Policing Minister—to do down the important work of the police. The Minister says that 11% of the time is spent on visible policing, with the other 89% wasted on bureaucracy. That excludes people working on organised crime, in CID, on domestic violence, or on child abuse. That is the smear.

Also, Madam Deputy Speaker, may I just read out the HMIC report, which says:

"A re-design of the system…has the potential"

Madam Deputy Speaker (Dawn Primarolo): Order. I am sorry to have to say to the right hon. Gentleman that he was making an intervention. I think that he has made his point, and the intervention was getting a little long. It would be very helpful if when putting forcefully the arguments on either side of the House, all Members could avoid casting any aspersions on the correctness of another person's view.

Nick Herbert: Thank you, Madam Deputy Speaker. I strongly agree with that. I am afraid that the right hon. Gentleman has been caught out—

Ed Balls *indicated dissent.*

Nick Herbert: He has been caught out. I note that, in his letter to the chief inspector of constabulary, the right hon. Gentleman did not apologise for describing the chief inspector's report as a "smear" or "corrupt and erroneous", but that is what he said on Monday. I hesitate, after Monday, to advise hon. Members about using their words carefully, but the right hon. Gentleman should learn that he needs to choose his words more carefully when talking about the inspector's report. I am sure that he will do so in future.

It is essential that we address the bureaucracy—

Vernon Coaker: I should like to quote from the HMIC report, because the Minister disputed the 12% figure that I used in relation to central Government funding. The report stated:

"A re-design of the system…has the potential, at best, to save 12% of central government funding, while maintaining police availability. A cut beyond 12% would almost certainly reduce police availability".

The 12% referred to central Government funding, so the Minister was wrong.

Nick Herbert: No, the Audit Commission and HMIC said that the savings that could be made available to police officers were more than £1 billion a year—*[Interruption.]* The right hon. Member for Morley and Outwood is in no position to criticise anyone for misquoting people—*[Interruption.]* No, I did not.

The Opposition simply do not focus on the importance of reducing bureaucracy or of changing shift patterns. I want to give two quick examples. The action that we are taking to scrap stop forms and to limit stop-and-search reporting, with all the unnecessary bureaucracy that that has imposed upon officers, will save 800,000 hours of police time. Yesterday, the Assistant Commissioner of the Met, Ian McPherson, told the Greater London authority in an evidence session at which I was present that changing shift patterns in the Met will effectively increase staffing levels by an equivalent of 20% on Friday and Saturday evenings. There are things that we can do to improve the efficiency and deployment of police officers within the availability of constrained resources. That is why it is so important that we continue to reduce interference from the point of view of central Government, and why we have scrapped the remaining targets and the pledge. It is also why we intend to give more discretion to police forces so that they can make these important management decisions.

I want quickly to comment on what hon. Members have said about the use of the A19 procedure to enforce retirement for officers who have served for more than 30 years. There are only 3,000 officers to whom A19 might apply, out of a total in England and Wales of 143,000. It is not the ideal procedure, which is why we have set up a review of pay and conditions by Tom Winsor, which will report in February. It is important that we address issues such as the number of officers on restricted duties—more than 5,500—and the institutionalisation of overtime, when overtime costs are still in the region of £400 million a year. These are all areas in which considerable savings could be delivered to help to protect front-line policing.

Finally, I want to address the issue of police numbers and crime. I want to put on record what I actually said in the interview on "The World this Weekend", which, by the way, was heavily edited. Nevertheless, as stated in the transcript of the interview that was broadcast, when asked about the link between reducing crime and police numbers, what I actually said was this:

"I don't think that anyone, and no respectable academic would make a simple link between the increase in the numbers of police officers and what has happened to crime. There is no such link."

The right hon. Member for Morley and Outwood is not stupid, and he will know that I was quite clearly referring to that simple link. That was my point and I believe it was a correct point—one also made by the right hon. Member for Exeter (Mr Bradshaw). It was also made by one of the world's greatest crime fighters, Bill Bratton, who was quoted earlier by my hon. Friend the Member for Cannock Chase (Mr Burley). If hon. Members believe that there is such a simple link, perhaps they can explain why police numbers have increased in Sweden and Spain, but crime has increased, too. Perhaps they can also explain why police numbers in the United States have fallen, yet crime has fallen, too.

It is obvious to anybody who thinks about it that there is not a simple link, and that what we should be concerned about is how officers are deployed, whether they are available and visible to the public and whether they are there on the streets when the public want them. What therefore matters is not the total size of the police work force, but the efficiency and effectiveness of their deployment and how much they are tied up by bureaucracy. That is an issue that the Opposition simply will not address.

Opposition Members talked about the cost of police and crime commissioners. May I point out that the £100 million costing by the hon. Member for Gedling for police and crime commissioners was for a period beyond that covered by the spending review. The annual additional cost of police and commissioners is reflected only in the election cost and there will be no greater cost for the police authorities themselves. The money will not come out of police force budgets. It represents £12.5 million a year on average—less than 0.1% of police spend. Pointing out that an election will cost too much money and should not be held in the first place is not a good argument for any hon. Member to advance against a democratic reform. That is a very weak and poor argument.

I say to my hon. Friend the Member for South Dorset (Richard Drax) that we are determined to ensure a safe Olympics and that we will make further announcements about the police funding for the Olympics in due course. I would be happy to meet him to discuss any concerns about that.

While Labour Members continue to play politics, continue to criticise cuts, even though they would have made them themselves, and continue to criticise democratic accountability, even though they would have introduced it themselves, Government Members knew that we must tackle the deficit. It is in our national interest to do so, not least for the sake of the future funding of police officers generally and of individual officers. We are determined to make the savings by reducing bureaucracy, giving forces more freedom and driving out cost. In so doing, we are sure that we can protect the front line and the visible and available policing that the public value. The public want to know that the police will be there for them, and we are absolutely determined that they will be.

Question deferred (Standing Order No. 54(4)).

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

Zimbabwe

[Relevant Document: The Eighth Report from the International Development Committee, Session 2009-10, on DFID's Assistance to Zimbabwe, HC 252, and the Government response, Cm 7899.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2012, for expenditure by the Department for International Development

(1) resources, not exceeding £2,498,978,000, be authorised, on account, for use for current purposes as set out in HC 593,

(2) resources, not exceeding £700,200,000, be authorised, on account, for use for capital purposes as so set out, and

(3) a sum, not exceeding £2,962,928,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund, on account, and applied for expenditure on the use of resources authorised by Parliament. *(Angela Watkinson.)*

4.13 pm

Malcolm Bruce (Gordon) (LD): I am extremely pleased to have the opportunity to debate the subject of Zimbabwe, particularly the UK Government's aid programme to that troubled country. I am sure that the debate would have taken place earlier, had not the election intervened, and it is important to recognise that there is genuine interest in what is happening in Zimbabwe, in what the UK Government's engagement is doing for the people of Zimbabwe and in how that might most constructively be taken forward. It will obviously not be possible to strike a wholly optimistic note in a debate on this topic.

Eight members of the International Development Committee and two staff visited Zimbabwe between 1 and 4 February this year. I would like to pay tribute to our ambassador, Mark Canning, both for his constructive help and assistance in preparing for the Committee's visit and, perhaps more fundamentally, for the remarkable role he is playing—not just on behalf of the UK, but in reaching out, as leaders of other missions testified, to a number of parties engaged in trying to get some positive forward momentum within Zimbabwe. It is worth noting that, prior to being in Zimbabwe, he was our ambassador in Burma. He certainly gets the pick of the appointments. Clearly, he has experience of dealing with countries where the situation is extremely difficult.

The Committee found a fragile and fraught political situation. I am grateful that the ambassador has today given a timely briefing—I will not read it all out, because I suspect that the Minister may have a copy—which tells me, and the House, that the situation that we perceived in February still pertains. Although some things may have deteriorated, the tensions are similar, the ups and downs are still there, and there are still some positives, with lots of negatives attached.

The UK Government are channelling $100 million-worth of aid into Zimbabwe, and the Committee had an opportunity to see how that was being used in action and in practice. We visited a number of projects—schools, hospitals and other activities—in and around Harare, and did similar visits in and around Bulawayo. We met Morgan Tsvangirai, and Ministers and officials from ZANU-PF and the Movement for Democratic Change, and we were invited to meet the President, but the invitation came about 15 minutes before we were due to leave for the airport to fly home, so we were not able to accept it.

Although the purpose of the debate is not to focus on the politics of Zimbabwe, it is impossible to ignore the political aspect. Observance of the global political agreement—the basis of the Government of national unity—is highly dysfunctional, but, however imperfectly, it did help to create some space in which positive things can happen. My belief, and I think, the Committee's belief, is that if the agreement were not there, or if it failed or was abandoned, much, if not all, that space would rapidly disappear. The situation is not perfect, and no one would suggest that it was. It requires compromises, which, to some extent, are unacceptable. However, we saw genuine benefit to people who had been in abject hopelessness prior to that agreement.

Let us remember that inflation was of astronomical proportions, literally—I think there are billions of stars nearer to planet Earth than the multiplier effect of the Zimbabwe dollar to any other known currency. Almost at a stroke, the US dollarisation of the economy enabled a degree of normal economic functioning to be restored to the country. As we travelled around Harare and Bulawayo, the shops looked much the same as those in a good, modern city anywhere. For most of the people, of course, the problem was that the goods were beyond their reach, but at least the goods were there. For people who could get hard currency, a variety of things could be bought.

The fact that the finances were under the control of the MDC had a significant effect on ensuring that significant parts of the budget could be directed precisely where it was supposed to go, rather than to where it might have gone alternatively, which creates frustration in parties in government that are not comfortable or happy with that situation.

I draw the House's attention to our visit to a hospital outside Bulawayo. The matron who showed us round said that, 18 months before we visited, the hospital was abandoned—no patients, no staff, no drugs, no activity. On the day of our visit, however, she said that it was fully operational, fully staffed, had all the drugs it needed, and was operating as well as any hospital anywhere could be expected to operate. That is a fantastic transformation. Indeed, many parts of Africa with functioning Governments have less well-functioning hospitals than the one that we saw. That is, perhaps, the biggest frustration of all. The capacity of Zimbabwe to deliver what its people need, if it were only given the chance, is probably without equal in Africa.

Although the Department for International Development is employing a rather complex mechanism—we expressed some concern about its complexity as well as its cost—it is nevertheless able to engage with locally based non-governmental and other organisations that can deliver the services that people need. We saw the delivery of health, education and livelihoods. We saw that really happening now, and we saw that there was substantial potential for it to happen on a far greater scale. Of course the Committee was not able to visit large parts of the country, and we were led to believe that had we done so, we would not have seen such a positive picture. The no-go areas are, by definition, unknown, but the implication is that they are receiving no services, or at least no adequate services.

Mark Pritchard (The Wrekin) (Con): I congratulate the right hon. Gentleman on the excellent work that he does as Chairman of the Select Committee. I also congratulate the other members of the Committee, and I welcome the debate.

The right hon. Gentleman mentioned human resource. It is, of course, the most important resource in Zimbabwe, but many people have fled Zimbabwe for a variety of reasons. Some have come to the United Kingdom, while others have gone to South Africa, Zambia or other countries in the region. Does he agree that a sign of real political progress and stability in Zimbabwe will be people returning from those countries and others to such places as Harare, so that they can make a real contribution to the country's future?

Malcolm Bruce: My hon. Friend is absolutely right. The vast majority of Zimbabweans who are not in Zimbabwe would rather be anywhere except where they are. They would like to be back in Zimbabwe, but, for a variety of reasons, it is difficult for them to go back. It is not just a question of whether they are under threat, whether they can return to any assets that they have, or whether those assets are still there; it is a question of whether they can do anything functionally or economically useful.

We found that some doctors and teachers who had left the country had come back, but they were working for a fraction of the money that they could obtain in neighbouring Botswana or South Africa, let alone the United Kingdom. They were returning because they wanted to help, but they were making sacrifices. Perhaps the Minister will say something about that. One of DFID's activities was trying to supplement those people's salaries, just to add an extra pull, but that still left them earning well below the market rate for the southern African region.

I have no doubt that if only peace and normality could be returned to Zimbabwe, within a very short time the people would come back, economic activity would return and, indeed—this is what is surely so frustrating for everyone—Zimbabwe could provide a shining example for the rest of Africa. People have the capacity to bring that about, given the chance, but clearly they are not being given that chance.

Obviously I want to focus predominantly on DFID's activity, but the ambassador has highlighted the difficulties that were apparent in February and are plainly still in existence. There has been very little progress towards any kind of constitutional settlement, and there are mutterings about when an election may take place. The ambassador made it clear unequivocally that

"The constitutional process needs to be completed in an orderly and well-paced way".

He said that the Zimbabwe electoral commission and the other commissions needed "to be capacitated", and that

"technical changes need to be made to the voters' roll"

and to, for instance, the electoral Acts

"as well as the putting in place of thorough and comprehensive monitoring arrangements. All this is going to take time if it is going to be held as it should."

This is the crunch:

"If a poll was held prematurely, it would be most unlikely to be either free or fair".

It is important for the House to take note of that fresh advice from our ambassador.

We are in a position of compromise—a sort of limbo. The Library note refers to "limping along". However, the position is better than it was. Few analogies stick for very long, but a slight comparison can be made with some of the hiccups along the way in Northern Ireland. The longer even a small improvement continues, the harder it becomes to go back to the situation as it was previously. There is no guarantee, however, and the big fear is that too many people in powerful positions in Zimbabwe would like to take the country back and they have the capacity to do so. We need to rely on the genuine friends of the people of Zimbabwe, and although the United Kingdom stands among them, I acknowledge that we have a difficult role to play and that we have to play it from a distance. We need to work discreetly and to recognise the legitimate role of the neighbours in Africa, especially South Africa, but also the Southern African Development Community states. In this context, it would be nice if SADC became a more effective and coherent organisation. The fact that the tribunal judgments of SADC have been denounced and ridiculed by Zimbabwe, which says it does not recognise SADC, is clearly a weakness to the south African states in the region.

The continuing situation in Zimbabwe is not only a disaster and a frustration for the people of Zimbabwe; it is a drag anchor for the whole of southern Africa. If the situation is not resolved, the capacity of many other countries in southern Africa to fulfil their potential will be comprehensively weakened. That is perhaps understood more than it was, and the mood is changing, although perhaps too slowly.

We made some specific points in our report, and I would be grateful for an update on them from the Minister. I am sure he will tell us about current DFID activities in the country. The figure was $100 million, much of it spent on health. Has there been any change in that, or any consideration of whether we could, or should, be doing more on education, or do we feel that others are doing that satisfactorily? Also, do we feel we have the capacity to increase funding?

I think the Committee was in agreement that where we saw funds being effectively spent, they were delivering real results. If we could find comparable projects on a wider scale, we would certainly support additional funding. Again, I would appreciate the Minister stating the Department's view on that. So far as we were able to gauge, the money was going precisely to where it was intended. Great precautions were taken to ensure it did not get into the wrong hands and was not misappropriated, and that it delivered results.

The point about precautions raises the issue of the mechanism or agency used. A number of the partners, both international, local and national, said it led to bureaucratic delays, and to inflexibilities and extra expense, which for some small organisations were disproportionate to what they were trying to achieve. There was an understanding of why the precautions were in place, but if anything can be done to simplify the process and make it more flexible without losing the certainty that money is not being misappropriated, that will be widely appreciated by the partners with whom we are engaging.

There was considerable concern about the extraction of diamonds and the ownership of those diamonds by people very close to the President, and the apparent inability of the Kimberley process to function. One or two of the interlocutors we engaged with said this

[Malcolm Bruce]

might be the single issue that would give ZANU-PF the mechanism to destroy the Government of national unity and to re-establish itself as a dominant one party in control, so it is important that they—whoever they may be—are unable to trade illegally in illicit diamonds and thereby secure funding for programmes of expropriation and violence that threaten the state itself. Again, it would be helpful if the Minister could say what action is being taken if not to enforce the Kimberley process, then to isolate the illicit diamonds from Zimbabwe and deny them access to the markets, where they could be used to fund the undermining of the current arrangements.

Tony Baldry (Banbury) (Con): The House has been done a great service by the Select Committee's report. What my right hon. Friend has just mentioned raises a dilemma for everyone involved with Zimbabwe. We want to persuade the international community to start to invest in Zimbabwe and to get financial institutions to start to engage with it, but responsible companies, investors and financial institutions are clearly going to be very concerned about engaging with the extractive industries and some of the other key industries in Zimbabwe, for exactly the reasons that he just outlined. How does the Committee see us squaring that circle of encouraging responsible investors to get back into Zimbabwe but doing so in such a way as not to prop up or enrich those who would continue to subjugate Zimbabwe for their own political glory?

Malcolm Bruce: That is a very relevant and pertinent question. The practical thing that people can do is talk to our ambassador, because he has both views on this and indications about what to do.

The next item that I was going to discuss was investment and selective sanctions. The first thing to make clear is that it suits the ZANU-PF dimension of the Zimbabwean Government to make out that the economic failures of Zimbabwe are entirely a result of the application of selective sanctions and that they are targeting the poor people of Zimbabwe and preventing economic activity. The point that the ambassador made is that only one in 70,000 Zimbabweans is at all affected by the sanctions. Of course, he also points out in his statement today that the economy of Zimbabwe has been growing since dollarisation was reinstated. So that particular argument has been nailed. I shall return to my hon. Friend's question, but I just wish to say to the Minister that I understand that some dialogue with the EU is taking place about selective sanctions and it would be helpful if he could update the House on the current position and what the UK's engagement is. My impression is that there is no general view, apart from among the obvious sources, that those sanctions should or deserve to be lifted. However, to be fair, Morgan Tsvangirai said that they were a constant source of friction when he was trying to engage with his ZANU-PF co-Ministers.

There is no restriction on investment in Zimbabwe. There is nothing to prevent companies from outside Zimbabwe investing, apart from one thing that was introduced earlier in the year: the "indigenisation" of business. Again, it would be helpful if the Minister could update us on the position that has been reached. That measure fundamentally said that people could not do business in Zimbabwe other than through a company that was 51% owned by Zimbabweans—those Zimbabweans would, of course, be those approved by the stronger part of the Government. That may not be a total cast-iron restriction, as there is a Government of national unity and there are Ministers who are trying to offer, with some success, a growth strategy, a development strategy and a rebuilding strategy for Zimbabwe. Businesses may therefore have opportunities to find partners who are not going to subvert the money, but clearly nobody could invest in Zimbabwe without having an assurance. The Minister may be able to provide that or our excellent ambassador may be able to give advice. My instincts are that doing business is difficult, but may not be completely impossible.

That raises an interesting dilemma in the whole issue of development. We engage in states where there is conflict, in post-conflict states and in states with dysfunctional regimes, and the easiest thing is to say, "Let's have nothing to do with them." Yet the one thing that might just break the cycle of poverty, repression and tyranny is some kind of economic opportunity. I do not have an answer to that point, but I am sure that we should not say that there should be an absolute block on doing businesses with countries with dubious regimes. We should find out whether there are ways of doing business that are reputable and safe.

Let me make a somewhat exaggerated comparison. People do business in Russia, which has huge question marks over it and vies with the Democratic Republic of the Congo in terms of corruption. There are probably business opportunities in Zimbabwe that have less risk and they might be worth exploring.

I believe that we should ask people to understand that there will not be a quick and easy solution in Zimbabwe. The Committee's observation was that, imperfect though it is, engagement with the Government of national unity was able to deliver health, education and infrastructure improvements to significant sectors of the people of Zimbabwe who were denied them before. Frankly, that Government are the only thing that stands between Zimbabwe and chaos and we must use whatever influence we have to try to persuade people, wherever they are, that there is a better place for Zimbabwe to head for than back to where it was.

We might need to acknowledge that not everybody in ZANU-PF is entirely self-seeking—we met one or two of them—and that some of them realise that their country has a place to go and that they need to be part of it. That was the other issue that was made quite clear to us. Experience in government, knowledge, contacts, communication and political capacity are mostly controlled by ZANU-PF and not by the MDC. The MDC's members might have learned something in the past year and a half—I hope and am sure they have—but if Zimbabwe is to have a longer-term future, some of the people who have been part of the problem must be part of the solution.

That point was made to us on a few occasions and at the same time it was pointed out that, for example, every Minister was allocated a 24/7 personal "bodyguard" appointed by the President. I am quite certain that that was not an entirely comfortable experience. Interestingly, one politician said that the funny thing about that was that it created a dialogue between two groups of people who had had no connection or communication with each other before and some started to understand that the other side had a more multidimensional aspect. The

avenues of communication are only beginning to open. The report from the ambassador today does not suggest that things have changed very much, and they could get worse.

What is clear is that we should not collude in any early rush to an election. An early election would almost certainly bring the present inadequate partnership to an end in favour of something worse. It could not be free and it could not be fair. The measured words of the ambassador disguise the fact that there is no electoral register, which means that those who control the polling stations can write their own register. That is no basis for any kind of election. It would be a total fiction.

In conclusion, the Committee came away impressed that good things were being done that were bringing real benefits, that it was possible to reach people, that the longer we could create such space the more chance there was of people seeing a better future, and that we had to put up with setbacks, pitfalls and compromises and not walk away. Nothing can be guaranteed, but we must do nothing that allows this troubled partnership to be brought to an end and the re-establishment of a one-party state. That would set back not just Zimbabwe but the whole of southern Africa for another generation.

4.39 pm

Richard Burden (Birmingham, Northfield) (Lab): I, too, thank the House for this brief opportunity to debate some of the International Development Committee's reflections following our visit to Zimbabwe in February. I endorse what the right hon. Member for Gordon (Malcolm Bruce) said about it being important that we went. Before we went, there was nervousness in some quarters about whether we would be sending mixed messages simply by going there. We were conscious that if things went wrong our visit could be seen as some kind of endorsement of the Mugabe regime or a weakening of the international community's resolve; we were firm that we could not let that be the case, and I do not think it was.

It is important that we have a clear position on the gross abuses of human rights that went on there and are still going on, and that we make our position absolutely clear. However, as the right hon. Gentleman pointed out, and as the report underlines, Zimbabwe has huge potential as a country, but also has huge needs in human terms. In October, the United Nations Development Programme released its annual human development index, which puts the country last on the indices of education, health and the income of nations. According to UNICEF's mid-year report, which was published in July, Zimbabwe had the most severe health-related emergency of 2010—a major measles outbreak in which there were 7,754 suspected cases and 517 people died. That was reported in 61 of the country's 62 districts. The report states:

"Basic social services, such as access to safe water and coverage of immunization programmes, remain a cause for concern."

We spent some time looking at those areas when we were in Zimbabwe in February. The report also notes that although schools remain open, the quality of learning "continues to be compromised", often by

"teachers' low morale, lack of teaching and learning material, and the poor infrastructure of most schools."

In a whole range of areas, it is absolutely clear that the country has considerable needs.

UNICEF projects a final funding gap of $44,260,863, which is 40% of its needs. It states:

"If funding requirements are not met the following critical activities may not take place: improving the management of pneumonia and diarrhoea in children under five years, community-based management of acute malnutrition (CMAM), nutrition surveillance, emergency safe water and sanitation, life skills for HIV/AIDS prevention and health promotion in schools, and the protection and promotion of the rights of children within IDP and migrant-sending communities."

Zimbabwe is an area of massive need and the evidence of our eyes suggests that we are right to be in there. We have made some suggestions about how the Department for International Development's programmes could be improved or tweaked, but by and large the impact there is positive and we are focusing on the right things.

Let me endorse what the right hon. Gentleman said about the protracted relief programme. We saw various projects for which funding had started through that programme and it is clear that an impact is being made, but a number of interlocutors we came across were clearly concerned about the administration and costs of the programme. They had other concerns too, and this is where our report almost argues against itself. It says that we want to be clear that the audit procedures for the programme are robust enough, but one concern that was raised with us was whether, given the use of intermediary organisations, funding was being mediated in the right way and whether the voices of grass-roots community organisations that really know what needs to be done, and how it should be done, are getting through the bureaucracy so that programmes can be approved and money got to where it is needed. I do not think we have any great pearls of wisdom that enable us to say this or that must be done to the protracted relief programme—overall, I am comfortable with the shape of it—but I hope that DFID looks at whether the mechanisms for operating the programme are as good as they should be and whether they are getting resources to the places they need to go, and in the best way.

Neil Carmichael (Stroud) (Con): I have only just arrived in the Chamber and realise that this issue may already have been addressed. While in Zimbabwe, what information did members of the Committee garner from the ambassador about the potential for the neighbouring states to increase their role in effectively achieving a better solution for Zimbabwe? Those states are nearby and have a deep interest in doing exactly that.

Richard Burden: I hope to conclude my remarks by saying something about neighbouring states, because their role is crucial. The hon. Gentleman asks about the ambassador's views on the matter. He has provided a briefing, but I have to confess that I have not seen it. Perhaps the Minister will give us a few ideas about the ambassador's views during his winding-up speech. I shall return to some of the issues on the role of neighbouring states.

We need to engage and we are engaging. By and large, the focus of that is positive. However, it absolutely must be accompanied by our ensuring that measures are taken that express the international community's—I was going to say displeasure, but it sounds a bit weak—views on what the ZANU-PF regime has been doing and continues to do. We must be clear about that.

[Richard Burden]

Again, the right hon. Member for Gordon made it clear that this is an area where Mugabe uses the media inside Zimbabwe completely to distort what the measures that the international community is adopting are all about. While we were there, it was put about time and again that, somehow, the international community is taking action against the people of Zimbabwe. In many ways, the term "sanctions" is a misnomer for what we are doing there. There are targeted measures against individuals and organisations with a direct and responsible role in what goes on. Large amounts of cash and aid go in—probably not enough, as we have heard from UNICEF—that are directed, in the best way we can achieve, to assisting the people of Zimbabwe.

It is important that the measures taken against individuals who are responsible for some quite ghastly acts in that country remain in place and should be removed—indeed, there is an argument that they should be increased—only when we see clear and demonstrable steps towards democracy and respect for human rights. All the indications are that we are a long way from that.

Many of us who had not been to Zimbabwe before were quite surprised that in many ways we did not see the chaos that we perhaps thought we would see. Not only does that country have massive natural resources and massive potential, but we could see in Bulawayo and elsewhere that if the country were able to get itself together, had an economy that worked and had the right kind of governance, it could turn around really quickly.

The infrastructure that had been built up over many years was still there in many instances. There have been major steps forward. Since the dollarisation of the economy, the work of Tendai Biti has been really useful in putting Zimbabwe's economy on a more rational basis. However, again, there is a dual view of what is going on there: the chaos that perhaps some of us expected to see was not there, yet we could see that the impact of the land seizures had undermined the economy and caused genuine suffering on a scale that is unacceptable. Just before we went to Zimbabwe, some Committee members saw the film "Mugabe and the White African", which I recommend to hon. Members because it very graphically illustrates the human cost to and, indeed, bravery of some Zimbabweans in standing up to the Mugabe regime.

The land seizures continue, and a recent report by ZimOnline exposes the reality of them. The President and his wife Grace are said to own 14 farms, spanning at least 16,000 hectares. All ZANU-PF's 56 politburo members, 98 MPs and 35 elected and unelected senators were allegedly allocated farms, and 10 provincial governors have seized farms, with four being multiple owners. Sixteen supreme court and high court judges own farms, too.

Neil Parish (Tiverton and Honiton) (Con): Not only is there violence against farmers but all farm workers have been driven away, so there is now almost no production on those farms which, like Zimbabwe, were massively productive. I urge the Government, wherever we can, to help to obtain an audit so that we can get those farms moving. The issue is not only who owns those farms but getting production going, because Zimbabwe should not be starving when it is such a fertile country.

Richard Burden: The hon. Gentleman is quite right. The way the land seizures have worked is wrong in so many respects. It makes make little economic sense, for the reason that he mentions, and it goes under the title of "land reform", which is another huge misnomer. It invokes an image of land being taken from people who should not have it, do not use it properly or got it illegitimately and then redistributed to the people of Zimbabwe, but all the evidence is that that has just not happened. It has been redistributed to an elite, who have not used the land's capacity as they should.

All that does not take away from the fact that land reform is a real issue, and that it needs to be confronted. I suspect that if my hon. Friend the Member for York Central (Hugh Bayley) catches your eye, Madam Deputy Speaker, he will say something about that, because the all-party Africa group has looked in some depth at the complicated questions of what land reform needs to be, and at the challenges that we have to face.

The land seizures are unacceptable, wrong and, as we saw in the film to which I referred, in many ways inhuman both to the owners of the land and, yes, to the workers who owed their livelihood to it. That is a challenge for us in the international community and, to return to the point that the hon. Member for Stroud (Neil Carmichael) made, to Zimbabwe's neighbours, in particular. When Mugabe just ignores and cocks a snook at the decisions of the SADC tribunal, that is a problem not just for the people whose farms and livelihoods have been taken away, but for southern Africa as a whole and for the credibility of SADC itself. SADC countries need to face up to that, but most of all South Africa needs to face up to the fact that, in terms of securing leverage and change in Zimbabwe, its role is absolutely crucial. So far, it has not exercised that role as assertively as many of us would like.

Zimbabwe is a country with massive potential, and I endorse what the right hon. Member for Gordon says about elections. I want to see elections in Zimbabwe, but they must be free and fair. We are a long way from that, and it is not always easy for everybody to talk about the impediments to it. In September, an article in *The Guardian* mentioned how in a recent interview Morgan Tsvangirai seemed to have rather more confidence in the coalition of which he was a part than the right hon. Gentleman who leads the Liberal Democrats has in his. It was quite an amusing article, but it had a serious point, which was that Morgan Tsvangirai and the MDC have to walk a tightrope. In the ministries for which they are responsible, they must deliver for the people of Zimbabwe as best they can. Walking that tightrope keeps them there and active, and for some of their supporters and members, it keeps them alive. They must work with people who have been responsible for their persecution for many years and, at the same time, they must retain their independence, build their base and try to build a functioning democracy in Zimbabwe. That is a pretty fearsome tightrope to have to walk. They and the people of Zimbabwe need our help to do so.

I am convinced that we must maintain the dual approach that we have adopted of targeted measures that are appropriate and effective against members of the ZANU-PF regime that have brought the country to ruin, combined with an aid and assistance programme that focuses on the real needs of the people. That

programme must be responsive to the voices of the people of Zimbabwe and must address their very real humanitarian problems. It must boost the economy of Zimbabwe so that it can achieve its potential. If Zimbabwe achieves that potential, its role in southern Africa will be very positive and it really should have that role. It behoves us all to do what we can to ensure that that happens.

4.56 pm

Pauline Latham (Mid Derbyshire) (Con): Thank you, Madam Deputy Speaker, for the opportunity to speak in this important debate. I am delighted to follow two people who have visited Zimbabwe pretty recently and who have guarded optimism about its future, my right hon. Friend the Member for Gordon (Malcolm Bruce) and the hon. Member for Birmingham, Northfield (Richard Burden). It is good to hear from people who have a lot of knowledge of what is happening now.

The attention of the global community has recently been drawn to the forthcoming referendum in Sudan, which in all likelihood will create a new country. However, while the international community looks towards Sudan, the problems faced by other African countries continue. That is particularly true of Zimbabwe.

There is a southern African proverb that states, "Don't look where you fell, but where you stumbled." When reviewing the recent tragedy seen in Zimbabwe, it is right that we should look to where the country stumbled, before we look at where it now lies. Disgruntled war veterans invaded a small number of farms in the run-up to 2000, because they were annoyed with Mugabe's progress towards his promise to redistribute the land back to the people of Zimbabwe. As we heard from my hon. Friend the Member for Tiverton and Honiton (Neil Parish), not only were white South Africans chucked off the land by Mugabe, but many Zimbabweans lost their jobs. A few months later, Mugabe passed a law to make it legal to take land without compensation.

I believe that it was the violent events at that time that led to Mugabe's legislation between 2002 and 2006 that entrenched his position. The media were stifled by the Access to Information and Protection of Privacy Act. The Opposition were stifled by the Public Order and Security Act, the Criminal Law Act and the Miscellaneous Offences Act, which worked together to curtail the activities of organisations that posed a threat to the President. Most worryingly, that legislation allowed police and persons assisting the police to use all necessary force to stop all unlawful gatherings. Finally, the Private Voluntary Organisations Act impinged on the freedom of domestic and international non-governmental organisations to carry out vital aid work, which led to many NGOs leaving the country.

Since 2000 we have seen the breadbasket of Africa turn into the basket case of Africa. The commercial farming sector and the economy have collapsed, even though Zimbabwe used to export produce all over the world, and to neighbouring countries, as well as feed all its people. It is a tragedy that that situation is not returning at the moment. The lack of food resulted in the spread of chronic poverty, with about 2 million Zimbabweans depending on food aid. At poverty's highest point, more than 80% of the Zimbabwean population were living on less than $1 a day. With cholera, malaria and HIV/AIDS at the worst level of any country in Africa and on the rise, and with Zimbabwe's infrastructure on a sharp decline, the country fell into dictatorial despair.

The Movement for Democratic Change has done well in fighting elections against the ZANU-PF Government, despite the unfair playing field and its internal split in 2005. The international community has condemned the Zimbabwean elections as undemocratic, and cited the Zimbabwe Electoral Commission's bias in set-up and actions, and we must do more to entrench democracy in Zimbabwe, as we have heard today.

Zimbabwe stumbled in 2000, and for almost a decade it carried on falling. We must hold our hands up and admit that we and the rest of the international community did not do enough to stop it. Even the Zimbabweans' closest ally, the President of South Africa, achieved very little via his quiet diplomacy.

Thankfully, Zimbabwe has had something of a bounce in recent years, and switching currency has meant goods returning to the shops and the economy making a slight but important step towards recovery. I even note that property prices in Harare are increasing, and many displaced Zimbabweans are returning home.

The global political agreement and the resulting Government of national unity represent a step in the right direction. Some critics have said that the GPA was badly drafted legislation, but the GNU was the only option that offered Zimbabwe a lifeline out of crippling economic and social poverty. The GNU have remained working and—if I may be so bold as to say so—stable for more than a year, and green shoots of recovery really are visible. Schools and hospitals are reopening, and the cholera epidemic that claimed more than 4,000 lives has been brought under some control. Government-led human rights abuses have dramatically reduced, and a new short-term economic recovery programme has been well supported by the international community and the Bretton Woods institutions. I would be interested to hear from the Minister how Britain intends to support that programme, if indeed it intends to do so.

Despite continuing political trouble, including internal power struggles in both ZANU-PF and the MDC, and unemployment that is still at 80%, the creation of the GNU and the change in economic fortunes, although small steps to recovery, are indeed steps. Zimbabwe and the international community must now see what led Zimbabwe to stumble in the past, so that it does not fall again in the future. I am sure that the Department for International Development will play a central part in rebuilding Zimbabwe, and I should like to outline what I see as the key roles that it can play.

It is well documented that President Mugabe loathes Britain. He is documented as having said:

"we must dig a grave not just six feet but 12 feet and bury Mr Blair and the Union Jack".

Despite his reluctance to accept help from the UK, I agree with DFID's assessment that the formation of the GNU has changed the balance of risk and opportunity and justified a structured and incremental re-engagement with Zimbabwe. I am very happy that the UK continues to be one of the top three donors to Zimbabwe, having donated $89 million in overseas development assistance in 2008, but it is slightly concerning that that is a reduction of almost $5 million on the 2007 commitment, and that there has been a decrease of almost 10% in our

[Pauline Latham]

commitments to overall donor aid since 2006. I hope that future donations from the UK to Zimbabwe will increase year on year until Zimbabwe's crisis issues are dealt with. Increasing our commitments to Zimbabwe would demonstrate to its people that although we will not work with Mugabe, we have not forgotten them.

It is not how much money we spend, but how it is spent, that will make a difference. The Secretary of State has said that a lot since taking office. Between 2004-05 and 2008-09 the balance of DFID bilateral aid to Zimbabwe shifted. At the beginning of the period, most aid was delivered by NGOs, but at the end, most was delivered via multilaterals. The optimist in me hopes that that shift was made not out of choice but out of necessity, and that aid spending via NGOs has decreased as a percentage of bilateral aid because more and more NGOs have moved out of Zimbabwe. Will the Minister tell us whether that trend is likely to continue, or whether, as NGOs such as Voluntary Service Overseas, whose first staff will relocate at the end of this year, return to Zimbabwe, DFID will look to spend more via them? NGOs are often better able to access communities on the ground and spend money where it is really needed.

Although I recognise the importance of the co-ordination that multilaterals such as the UN offer, I agree with critics who cite inefficiencies at ground level. I hope that as NGOs move back into Zimbabwe, we will see the role of multilaterals change from humanitarian to crisis management to overall strategic country growth. It is not often that I agree with the TUC, but I concede that as Zimbabwe's economy grows and the need for humanitarian relief declines, DFID should look to move away from humanitarian relief and towards core development-oriented interventions.

With that in mind, and with the NGO community returning to help to solve Zimbabwe's humanitarian problems, will DFID consider future engagement with the private sector to help to develop the economy? The Secretary of State has on more than one occasion said that economic growth is the foundation of development. It is a major concern, as my right hon. Friend the Member for Gordon mentioned, that an Act was passed by the President in March that requires white-owned companies with an asset value of more than $500,000 that want to invest in Zimbabwe to surrender 51% of their shareholdings to black Zimbabweans. That is not a great inducement for people to invest. Britain must take an active role in trying to repeal that Act, which was passed without consulting the GNU, because it creates a vacuum of foreign investment. Without that, Zimbabwe's economy will inevitably falter. The British Government have a big challenge on their hands to promote investment in Zimbabwe to support the work of Britain, civil society and the international community.

At the moment the UK spends 43% of its aid on the provision of basic health programmes, which Zimbabwe desperately needs. I commend that spending and recognise that it has been crucial in the past decade, because the state's finances could not cope with need. However, I hope that as the overall health of Zimbabwe increases, DFID will move away from health and towards other long-term aspects of development. I also hope that health spending will move from direct health aid to building the capacity of the Zimbabwean health system.

One of the two most important ways in which DFID can help with the redevelopment of Zimbabwe is helping to fund the land audit. The GNU Finance Minister has allocated $30 million for a future audit, but previous Zimbabwe Government land audit findings have not been released, and I am sceptical that without the international community's involvement, the findings will be unfair. It is not for me to suggest what conditions the international community should impose on funding for the land audit, but as the DFID Minister at the time of the International Development Committee report stated, a land audit would be the first step towards reform, but it cannot be carried with the current President and his cronies blocking international efforts.

Finally, DFID has a role in developing the political system. I understand the view that the inclusive Zimbabwe Government is not yet the partner that we require to sustain a full development relationship. The global political agreement and the resulting GNU are steps in the right direction, but unfortunately, as Tsvangirai pointed out, things have not radically altered, and Mugabe continues to act without consulting other GNU members. As a result, I believe that DFID's strategy on providing technical assistance and policy support will strengthen the political process in Zimbabwe. I hope that the desired outcome of political change will take place, but if the recent Act concerning white-owned businesses is anything to go by, we have some way to go, as we heard from the hon. Member for Birmingham, Northfield and my right hon. Friend the Member for Gordon.

I also applaud the Department's drive for the GNU to adopt policies in line with The Hague principles. Strengthening democracy in Zimbabwe is the key to getting Zimbabwe back on its feet, but I fear that President Mugabe will fight the changes all the way. In 2008 he was quoted in a paper as stating:

> "We are not going to give up our country for a mere X on a ballot. How can a ballpoint pen fight with a gun?"

While the President remains in a position of power, I fear that Zimbabwe's future will remain on the precipice. However, if the political institutions of Zimbabwe are strengthened, I hope that unrestricted democracy can flourish. If this is so, the UK and the international community can take greater strides towards building stronger, more long-term development policies in league with the truly democratically elected Government of Zimbabwe.

The problems of Zimbabwe are so varied and complex, and I shall finish where I started. Since 2008 Zimbabwe has started to pick itself up from where it fell. It is right that we should now take this opportunity to see why Zimbabwe fell in the first place, and ensure that the work carried out on behalf of the UK is channelled into programmes that will help to bring true democracy, a stable and diverse economy and, most importantly, a healthy and poverty-free society to Zimbabwe. Zimbabwe has a long way to go, but I hope our actions can help get it there.

5.11 pm

Mr Gregory Campbell (East Londonderry) (DUP): I concur with the comments made about the right hon. Member for Gordon (Malcolm Bruce) and the excellent work of his Committee, including on its visit to Zimbabwe in February. I have long taken an interest—since my arrival in the House in 2001—in events in the African

continent. There is universal good will from political parties across the United Kingdom towards Zimbabwe and a hope that matters will improve there. However, the problems that Mugabe has created in Zimbabwe continue, as he enters his 88th year in a couple of months and shows no sign of being about to release his stranglehold on the Zimbabwean people.

Some of the facts and figures have been outlined by other hon. Members, and the helpful documentation supplied today shows us that while life expectancy is improving generally in sub-Saharan Africa—albeit, of course, from a very low base—it has actually worsened in Zimbabwe in recent years. It is difficult to obtain reliable and well informed statistics, but between 80% and 90% of the citizens of that nation state could be described as being unemployed.

Some comment has been made about what might be regarded as a precipitate move towards elections, which are due to be held at some point in the next six months. A referendum date on the new constitution is scheduled for 30 June next year. However, the portents are not good. We hear that the Commercial Farmers Union in Zimbabwe has said that intimidation is increasing.

I shall just mention a couple of examples from within the past month. A prisoner who spent two months with his intestines hanging out has finally been taken to hospital for treatment. The Harare remand prison superintendent said that the suspected bicycle thief was given medical assistance after his condition was noticed during an appearance in court, and the chief superintendant said that the suspect was shot in the stomach when police tried to arrest him in September. He has been using colostomy bags to cover his intestines, and taking painkillers. His trial has now been postponed. That report is dated November 2010.

Another report—similarly, from within the past eight or nine weeks—suggests that 1,000 adults are newly infected with HIV every week in Zimbabwe. A similar number of people are dying of AIDS. DFID is doing excellent work, particularly in funding the work of the Elizabeth Glaser Pediatric AIDS Foundation, to reduce transmission from pregnant mothers to their babies, so that children can be born HIV free and can go on to lead healthy lives. The scale of the problem is quite staggering. I have given two examples to demonstrate the massive problems in Zimbabwe and the scale of the task that lies ahead.

We understand that the EU's restrictive measures come up for renewal in February next year. Various hon. Members have outlined the scale of our assistance to Zimbabwe. It is important that we try to ensure, as far as possible, that the aid is well targeted. It is difficult, if not impossible, to ensure that every last dollar—or every last cent or penny piece—of the $90 million or $100 million of aid to Zimbabwe is not misappropriated by the regime. In so far as practical steps can and have been taken, such an approach needs to be continued to ensure that the regime does not take advantage of the assistance being offered.

Figures show that Zimbabwe is way off target in reducing child and maternal mortality rates. Despite all the efforts of DFID and others internationally to ensure that the carefully targeted assistance reaches those in need, statistics prove that the situation has improved only marginally in the past year or 18 months. I am reminded of an example that was used some time ago in relation to Zimbabwe. If the United Kingdom had an average household debt of £100,000 and it was reduced to £95,000 would it be argued that things were improving or would people say that we had a long way to go? Unfortunately, that appears to illustrate the position in Zimbabwe.

There has been a marginal improvement, but whatever steps and measures we take—at least one, if not two, hon. Members have made this point—neighbouring states can bring considerable influence to bear on Zimbabwe. It is absolutely clear that however much we rail and rage against Mugabe, he is impervious to the protest, the opposition and the condemnation heaped upon his head. There are neighbouring states with which we can have considerable influence, and we need to ensure that such influence is deployed constructively to get a better conclusion.

South Africa bears a considerable responsibility in trying to ensure that Zimbabwe moves in the right direction. We have influence with South Africa and other neighbouring states. I trust that the good work that DFID has been doing—and will continue to do—will receive the widespread endorsement of Members across the Chamber; indeed, I have no doubt that it will. However, we need to remain focused on the fact that the problems in Zimbabwe are monumental. They are of Everest-like proportions, however insignificantly they have been reduced in the past year or two. We must keep the pressure on through those third party nation states that are close to Zimbabwe and that can apply pressure. We must do what we can to ensure that the people of Zimbabwe have a better future than they have had a past.

5.20 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): We have heard a lot this afternoon, and about a number of issues. As the right hon. Member for Gordon (Malcolm Bruce) said, it is important not to ignore the politics of Zimbabwe in our debate today. The global political agreement—the GPA—was a step in the right direction for Zimbabwe, but, as a number of speakers have acknowledged, it was not ideal. A lot more is required from the Government of Zimbabwe on addressing the health care and education problems that were so eloquently outlined by the hon. Member for East Londonderry (Mr Campbell).

The right hon. Member for Gordon also pointed out that the people of Zimbabwe have a tremendous capacity for resilience. That is absolutely right, and it has already been shown. He mentioned the example of the hospital in Bulawayo, but there is another issue that we have to acknowledge in this debate. The infrastructure of Zimbabwe—a country that had one of the leading economies in southern Africa, boasting some of the best universities and hospitals—has been destroyed and degraded by Mugabe over a number of years. Although we want to see teachers, doctors and nurses returning to Zimbabwe, whatever we do with our aid, the key challenge is to help to rebuild that infrastructure, and particularly that university and hospital infrastructure. We still see a great rural-urban divide in health care—something that I want to talk about a little more—especially in women's health, which the hon. Member for East Londonderry also mentioned.

[Dr Daniel Poulter]

Other Members have talked about the need for a southern Africa-based solution to the problems in Zimbabwe, and that is absolutely right. Other countries, particularly South Africa, have a role in addressing the issues in Zimbabwe and taking responsibility for their region. However, we have to be wary of that, given the example of what happened in the Congo. We must ensure that those African countries are not exploitative in their interactions with Zimbabwe. Although it is absolutely right that those countries should take a more active role, there are examples from history, including in the Congo, that indicate that such interest from neighbouring countries is not always benevolent.

One thing that we need to stress is that all the aid to Zimbabwe from DFID needs to be results orientated and target driven. We need to ensure that the aid gets to the people. The right hon. Member for Gordon mentioned Zimbabwe's indigenisation restrictions, which prevent many companies and organisations from taking an active role in helping to build up the Zimbabwean economy, because of the need for the state to have a 51% share in those companies. That forms an important backdrop to the debate, because the restrictions prevent the engagement and interest of overseas companies in the Zimbabwean economy. When we focus our aid and our attentions through DFID, it is important to look at where that aid can be effectively targeted. A particularly important aspect of that is health, which I want briefly to talk about now.

As Members will be aware, I have a background in obstetrics, and I have always taken a keen interest in improving women's health, not only in the United Kingdom but overseas. The leading cause of death among women in many countries in Africa is the problems associated with childbirth, including haemorrhage and eclampsia. The single most important focus of intervention in any health care system in many African countries is to ensure that assistance is available at the time of delivery. The World Health Organisation tells us that one of the great problems in Zimbabwe, particularly in rural areas, is the fact that, since the collapse of the health care system, the infrastructure of midwives and obstetricians has been completely degraded and destroyed. If we are going to focus aid effectively, we need to ensure that we provide assistance around the time of childbirth.

I want to highlight a few of the problems that exist. The WHO tells us that, in 1997, the maternal mortality rate in Zimbabwe was 700 per 1,000 live births. In 2005-06, it had more than trebled to 2,500. That is a significant increase, and it dramatically demonstrates the degradation of the health care service in Zimbabwe. Rates of HIV are also increasing. The hon. Member for East Londonderry made the point very well that some of the targeted interventions are working when dealing with the vertical transmission of HIV from mother to child. The rate of contraception use, particularly in urban areas of Zimbabwe, is also rising. Having said that, the HIV rate in Zimbabwe is 15.3% at the moment. The life expectancy for women in many parts of Zimbabwe is only 47, and the primary reason for that is HIV and AIDS.

I alluded earlier to the rural-urban divide. The problem is particularly pronounced in many rural areas of Zimbabwe, where women—and people generally—have difficulty accessing health care. Part of the reason for that is the breakdown of the hospital structure, but there is also a need to improve people's knowledge about health care services through education.

We have seen models of health care developed in many other countries in Africa, such as Rwanda, where maternity and other health care services have been built up. Part of that has involved insurance coupons schemes that people can buy into in order to insure themselves against ill health. Another part of the access to health care involves teaching the population to have an awareness of when someone is ill—for example, in maternity, when someone is having an obstructed or difficult labour—and when they need to go to hospital or seek further help. Even when they do that, however, we need to ensure that the vital expertise that they need is available in hospitals. That involves not only supporting the development of the universities but ensuring that doctors and nurses feel safe enough to travel back to Zimbabwe to work there. At the moment, despite all the efforts, that is not happening.

Although we can agree that the Government in Zimbabwe are better than they were, that having a joint Government is a good thing and that steps are being taken in the right direction, a lot still needs to be done. Having a global political agreement is all very well, and it is good that the economy is improving, but the health and education infrastructure is still very much lacking. I hope that the Minister will be able to tell us that the targeted aid that goes into Zimbabwe will be focused on the health infrastructure, and particularly on issues such as maternal mortality and training midwives in rural areas, as they will really make a difference to the people there.

5.29 pm

Hugh Bayley (York Central) (Lab): This has been a good debate, with lots of well-informed speeches, but I particularly admire the speech that we have just heard from the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who spoke with a great deal of knowledge as an obstetrician. What struck me most about his speech was his understanding that health problems in Zimbabwe are fundamentally constrained within the political environment, and that unless there is a political solution to the crisis that Zimbabwe faces, basic human needs will continue to be poorly met.

I spent a great deal of my time in the 1970s campaigning for change in southern Africa. I was a member of the executive committee of the Anti-Apartheid Movement. I spent quite a bit of time standing outside Rhodesia House, as it was then called, demanding an end to the unilateral declaration of independence and calling for true independence for the country.

I am delighted that Zimbabwe is free and has been free for 30 years—independence in Zimbabwe gave a significant boost to the momentum for independence in Namibia and South Africa—but I am sad that true freedom, human rights, the rule of law, peace and, above all, prosperity for the people of Zimbabwe are yet to come.

The hon. Member for Mid Derbyshire (Pauline Latham) mentioned a southern African proverb: "Don't look where you fell, but where you stumbled." That is good

advice. She talked about one stumble being the cave-in by Mugabe to the unreasonable demands of the so-called war veterans and the subsequent land invasions, but we would misunderstand the situation in Zimbabwe if we felt that that was the first stumble that took place.

The British colonial period did not cover our country in glory. The Jameson raid was a putsch by a white colonial adventurer. The independence process in the late 1950s and 1960s was botched and led to UDI in 1963. Then there were 17 years of an illegal regime—in defiance of this country, the legitimate authority. That delayed independence and created very serious problems for an independent Zimbabwe in 1980—not least a legacy of nearly two decades of war.

The problem of human rights abuse in Zimbabwe was clearly illustrated in the remarks of the hon. Member for East Londonderry (Mr Campbell). The country is still plagued by appallingly bad governance and by an absence of the rule of law. When Morgan Tsvangirai as Prime Minister seeks to challenge illegal and unconstitutional appointments to top jobs—for example, the appointment of Gideon Gono as director of the central bank of Zimbabwe—he is unable to use the courts to set them aside and make new appointments, despite the fact that the official procedures should allow that.

Unemployment in Zimbabwe is currently about 90%. The country used to be better off than most African countries. The latest figures I have been able to dig out show that gross domestic product per capita stands at some $450. That figure is several years old and it is possible that the position has improved, but that $450 per person in Zimbabwe compared with $618 per person in sub-Saharan Africa as a whole.

The HIV infection rate, as we have just heard from the hon. Member for Central Suffolk and North Ipswich, is extremely high—one of the highest in Africa and about three times the average for sub-Saharan Africa as a whole. Some 15% of the population are infected compared with a still appallingly high average for sub-Saharan Africa of 5%. Life expectancy at 44 years has fallen dramatically from more than 60 years, which applied at the time of independence. Again, it compares unfavourably with other sub-Saharan countries, for which the average is 52 years.

Dr Poulter: Is the hon. Gentleman aware that in Swaziland in the early 1980s the HIV infection rate was about 1%, but by 2000 it was nearly 40%? Although we live in an age when there is better access to HIV drugs, even in many parts of Africa, targeted interventions to deal with HIV—given the high rate in Zimbabwe—should form an important part of any aid strategy for the country.

Hugh Bayley: Yes, I strongly agree with that. During the Committee's visit to Zimbabwe in February, we spent some time looking at HIV counselling and testing programmes and other measures funded by DFID that were delivered largely by NGOs. Most certainly, we should be providing aid. Even with a framework of poor governance, it is possible for British aid to make a difference. The availability of antiretroviral drugs, for instance, has improved because of the help of outside donors, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Some indicators are good. Health expenditure in Zimbabwe is higher than the average for sub-Saharan Africa, as are sanitation rates. In Zimbabwe, 69% of mothers are attended by a skilled childbirth attendant, compared with 46% elsewhere in sub-Saharan Africa. Therefore, Zimbabwe has the capacity to recover, when it finds the political leadership to enable it to address problems of catastrophically bad governance. Some of its infrastructure—literacy levels, for instance, are better than in many other countries in Africa—provides the country with the opportunity to bounce back.

Mr Nigel Dodds (Belfast North) (DUP): I am grateful to the hon. Gentleman for giving way, and for his work on the all-party Africa group. He talks about the country's great potential, but the problem is its political system and governance. Unfortunately, the depressing fact is that what comes after Mugabe may be no improvement. Is it not the case that the urgent issue to address is what South Africa and other neighbouring countries can do to deal with the country's political governance?

Hugh Bayley: That issue must be addressed by all the neighbouring countries—South Africa being the biggest and most powerful and having the most interdependent economy, given that many South African companies still have plant and operations in Zimbabwe. As the country with the greatest number of Zimbabwean refugees on its territory, South Africa also has the most to gain from achieving political progress. We should do everything that we can to encourage and support the South African Government, and the Governments of other neighbouring states, in their efforts.

It would be wrong, however, to make it sound as though nothing has been achieved. After the last election, the global political agreement was brokered and delivered by political pressure from South Africa and neighbouring states.

Several Members have mentioned the catastrophe in agriculture. In 1998, commercial farmers' output was 2.3 million tonnes of beef, grain, tobacco and other crops. In 2007, after the farm invasions, that had fallen to fewer than 1 million tonnes. Equally important, however, is the collapse of rural peasant agriculture. The staple crop in Zimbabwe is maize, and average production throughout the 1990s was 1.7 million tonnes a year, but in 2007-08 it fell to only a third of that—650,000 tonnes. As the hon. Member for Mid Derbyshire and other Members have said, Zimbabwe went from being a food-exporting country to a food-importing country.

The Zimbabwean people show tremendous courage and resilience, as members of the Select Committee saw during our visit. We saw nurses getting on and providing health services in a remarkable way. The hospital that our Committee visited looked and felt better than many hospitals I have seen in Africa. Ultimately, what makes a good hospital is good, well-trained staff who are well managed and well led. Wards are clean, and equipment is repaired.

We also saw good local government officials looking at ways of extending sanitation systems, and brave performers and artists at the Book café in Harare who were prepared to challenge the regime in ways that they could get away with—through culture and music.

The last election was, of course, deeply flawed. Independent observers appointed by other African countries—members of the east African community,

[Hugh Bayley]

the East African Parliament and the African council of churches—reported that it was fundamentally flawed. Morgan Tzvangirai received more votes than Mugabe in the first round, but then the level of intimidation was such that he was driven out of the country and did not compete in the second round. As I said earlier, the global political agreement that was created after the election would not have been created had it not been for pressure from neighbouring African countries.

Jim Shannon (Strangford) (DUP): There is some concern about Mugabe's appointment of six ambassadors—that is, six tribal leaders—across Rhodesia, which will clearly give him some clout in next year's election. Does the hon. Gentleman agree with many of us who are present that if that election is to be fair and democratic, and if the democratic process is to be transparent, the leaders appointed by Mugabe must be removed?

Hugh Bayley: I think that there will be an election next year, and the international community needs to prepare for an election next year. I believe that other countries need to put observers in place now, rather than a month or two before the election, to report on what is happening on the ground, and that those observers need to come from Africa. *[Interruption.]* I hear my hon. Friend the Member for Vauxhall (Kate Hoey) protesting, but I still think that they need to come from Africa. *[Interruption.]* No doubt my hon. Friend will have more to say when she makes her own speech.

Those who delivered the damning reports on the intimidation and violence that took place during the last election were, by and large, African observers, because they could get into the country to observe and others could not. If it is possible to obtain a wider range of observers, that is fine: I would strongly support such a development. However, there is clearly more traction politically when Africans from the region blow the whistle than there is for Europeans who do not live in the region year in, year out—notably those in this country—and who have colonial baggage. It is important to ensure that resources are available to enable observers from non-governmental organisations and other bodies in the region to get into the country, get there early, and start giving us their reports.

The global political agreement was a fragile compromise. It was the best that could be delivered after the last election. However, it has provided a window of opportunity. Zimbabwe is not well governed under the unity Government, but it is governed a great deal better than it was under a ZANU-PF Government. The Ministries that are led by MDC Ministers are much better managed than those that are still led by ZANU-PF Ministers. I hope that the people of Zimbabwe will support the parties whose Ministers are delivering palpable improvements, and that they will be allowed to show that support in an election.

Malcolm Bruce: Does the hon. Gentleman, who is my colleague on the Select Committee, not recall that Zimbabwe's Minister for Health and his permanent secretary were from different parties—the MDC and ZANU-PF—but they were working very effectively together as they had gone to the same school? People from the two parties are delivering results in some areas, therefore; it is just unfortunate that that is not apparent in many quarters.

Hugh Bayley: I am glad to be reminded of that; yes, it is true. In order to create a good future for Zimbabwe, every opportunity must be capitalised on, and some people from the ZANU-PF political tradition have a great deal to contribute to the future of Zimbabwe.

The UK has always been a large donor. In 2003, we gave some $59 million to Zimbabwe, and by 2008 that had risen to $89 million, an increase of 50%. The right hon. Member for Gordon (Malcolm Bruce), the Chairman of the Select Committee, told the House that the figure has now risen to $100 million. When we were in Zimbabwe, we saw that aid being used to good purpose, such as in health care as both I and the hon. Member for Central Suffolk and North Ipswich have mentioned, and in humanitarian relief. A very small amount of aid goes to the Government to support two or three advisers in the office of the Prime Minister, but almost all the aid is channelled through the United Nations or non-governmental organisations as there is still not sufficient confidence to channel it through the Government of Zimbabwe. DFID ought now to be planning for that to change, so as to be ready to provide aid through the Government when conditions allow.

The global political agreement following the last, flawed, election set a timetable for the approval of the new constitution and stated that a fresh set of elections should be held after the constitution had been agreed. The process is behind time; consultation on the new constitution ended behind schedule, in October. The consultation process was flawed—the security forces were intimidating people—yet it provides a platform for elections to take place.

Robert Mugabe is threatening to end the global political agreement in February next year, prior to an election, because that is when it formally comes to an end. Our country, and other countries in the region, should be saying that the unity Government must continue until there has been a referendum on the new constitution, and if the referendum approves the new constitution, until there is an election. Any manoeuvring to force MDC Ministers out of the Government before an election would hinder a process through which a freer and fairer election could take place.

I do not know whether the UK should be optimistic or pessimistic, but DFID and the Foreign Office must act on the assumption that there is an opportunity to make political progress. If we were to do otherwise, it would become a self-fulfilling prophesy and make a setback more likely. To have got to a position, after decades of single-party rule and catastrophically bad governance, where there is a power-sharing arrangement within the Government, provides an opportunity.

We should be using aid to support a process of reform and change. I do not know whether it will work, but we certainly should not pull the plug. I was pleased that the new Government responded to the report that the Select Committee wrote before the general election, and I am glad that they understand and support it very well. We should be planning to expand our programmes of assistance, so that if there are opportunities, following an election, for a different kind of governance in Zimbabwe,

we will be in a position to move quickly and show that a different style of government delivers tangible benefits for the people.

One thing that we should be addressing is the question of land reform. A report by the all-party group on Africa last year went through some of the history and, I hope, challenged some of the myths, which are widely believed in Africa. One such myth is that Britain failed to deliver on promises to pay billions of pounds for land purchases. Such promises were not made, although Britain has put in official development assistance money for land reform. The programmes of land reform that we funded, before the farm invasions made it an impossible thing to do, were relatively effective. Funding land reform cannot be left to Britain alone. We should be talking with other donors, in particular the World Bank. We should encourage it to set up a trust fund especially for this purpose, and we should seek to win support for it from others in the EU and from the donor community more widely. We should do all that we can to remain a good friend of Zimbabwe during its troubled times and to prepare to expand our programmes of assistance as soon as we get signals from the country that the money will be well spent.

5.52 pm

Jeremy Lefroy (Stafford) (Con): It is a great honour to follow the contribution of the hon. Member for York Central (Hugh Bayley), who knows so much about this subject, and indeed the many other distinguished contributions from right hon. and hon. Members today.

I wish to speak briefly about agricultural development in Zimbabwe. Many speakers have outlined the political situation, which is obviously critical and indeed is pertinent to agricultural development. However, although agriculture might not have the profile of mining or tourism, it has always been vital, as hon. Members have said, to Zimbabwe's economy, as a food producer, exporter and employer. I have some personal experience of the very fine quality of Zimbabwean coffee through my employment in the coffee trade over the past 25 years.

I firmly believe that as the political situation is resolved—as it must be—Zimbabwe will begin to resume its place as an agricultural powerhouse of sub-Saharan Africa. That it was a powerhouse is beyond doubt. The hon. Member for York Central mentioned the 1980s, throughout which a newly independent Zimbabwe provided food security for the region, regularly exporting its surplus maize to Malawi, Mozambique and Zambia. Zimbabwe also supplied countries further afield, such as Ethiopia. Indeed, it was the place from which donor agencies bought food supplies to send elsewhere as aid. In 1986, the country had a maize reserve of nearly 2 million tonnes after a record harvest of about 3 million tonnes. To put that into context, as the hon. Gentleman did, the production level in 2008 was about 470,000 tonnes. This year, there has been an improvement and the figure is expected to be 1.3 million tonnes, but that is still less than half the level of production in 1986. So, this year, Zimbabwe will still be dependent on grain imports, although to a lesser extent than in the recent past. The welcome deregulation of the market will make it easier to meet the deficit.

I shall leave it to others to trace the history of that decline—the changes in marketing, an increase in land devoted to cash crops, serious falls in productivity and, in particular, land seizures—as I would like briefly to address the way forward for agriculture. The Select Committee's report states:

> "Land reform in Zimbabwe is a complex issue. It is also a highly-charged political issue between Zimbabwe and the UK. However, resolution is essential for political stability and continued economic"

growth. I certainly do not intend to wade into those deep waters—that is for others with far more specific knowledge of the situation. All I would say is that although I have followed events in Zimbabwe from afar, I have spoken with those who were very closely involved on more than one occasion. They filled me with great sadness about what has happened. Reform was desperately needed, but it could have been achieved in a very different way.

I will offer my personal experience from Tanzania, which might show a way forward for Zimbabwe in certain circumstances. In 1973, many commercial coffee farms in Tanzania that belonged to British, Greek, German and other nationals in the Kilimanjaro region were nationalised. For more than two decades, they were then owned and run by local villages and co-operatives, which were generally unable to invest. Production and quality declined so that by the mid 1990s, production was about 10% of what it had been in the early 1970s.

The Tanzanian Government wanted to see a revival of the farms but were conscious of the vital issue of land ownership. They considered two models: joint ventures and long-term leases. I was somewhat involved in the discussions in my capacity as secretary and then chairman of the Tanzania Coffee Association. We advocated leases and the Tanzanian Government, to their great credit, chose that route. We felt that that was the best way forward because, unlike with joint ventures, ownership of the land remained firmly in the hands of the local people, villages and co-operatives. The lease allowed the investor to develop the farm for the long term, paying a rent to the village or co-operative and employing local people while remaining the tenant.

The leases—I declare an interest, as I am involved in one—have so far worked reasonably well. Previously, the land brought almost no income to the community and little employment, and now it brings a healthy rent that has been used by the local communities to build school classrooms and much else. Many smallholder farmers in the surrounding area can supplement their income through employment.

I do not claim that such a model would work perfectly or that it would work in every situation. I am very much aware that there is justifiable anger over the leasing to new tenants of farms that were seized violently from those who had built them up over decades. By contrast, in Tanzania former owners were often encouraged to lease back their former properties and the ownership was in the hands of community groups, not powerful individuals. Such leasing arrangements are a way to put land ownership and its use to work for the benefit of the whole community while attracting investment and skilled management.

One objective of the Zimbabwean Government in recent years has been to transfer land to small-scale farmers. I welcome the objective, although not the manner in which it has often been carried out. My experience of smallholder agriculture, however, is that

[Jeremy Lefroy]

without good infrastructure to support it, it will be at best subsistence farming and certainly will not fulfil its potential. The infrastructure needed is physical—rural roads, storage, equipment, seeds and fertilizers—and, just as importantly, it involves training.

Jim Shannon: The hon. Gentleman has not at any stage indicated that out of the 4,000 farms that were seized from white farmers, 2,000 are lying destitute and in ruins. Does he see a role for those white farmers who have had their land seized in perhaps looking after that land again or does he see that land being reinstated to them? I would like to hear his ideas, because their expertise and energy could rejuvenate those farms.

Jeremy Lefroy: I entirely agree with the hon. Gentleman; in fact, in the example in Tanzania that I gave, two or three of the farms were taken back on long leases by the farmers who had developed them in the first place.

Fiona Bruce (Congleton) (Con): The need to improve the ailing infrastructure for water and sanitation is referred to frequently, as it has been in this debate, in relation to the need to provide clean water to prevent disease. My hon. Friend makes a good point about infrastructure: we need to invest in it to support the nation's agriculture. I hope that DFID will consider how to promote the development of infrastructure in a way that involves good governance and accountability, thereby instilling confidence in the partners who need to involve themselves in such large infrastructure projects.

Jeremy Lefroy: I entirely agree. DFID and aid agencies that give bilateral and multilateral support can play an important role in supporting infrastructure. I have discussed infrastructure in relation to agriculture, and I would add irrigation to that, but infrastructure for sanitation, health and education is also important.

David Simpson (Upper Bann) (DUP): Does the hon. Gentleman agree that although it is good to get land into small farms and perhaps to start up the co-operatives again, it is vital to have an incentive on pricing? The prices of products must be right so that those people can make a living and so that things do not fall apart again. DFID needs to consider that aspect and to ensure that there are returns on products, many of which, as he will know from his experience, are excellent.

Jeremy Lefroy: That is why I welcome the opening up of agricultural markets in Zimbabwe, which has been one of the most important Government reforms.

The need for rural infrastructure is shown by the figures on maize yields. The area planted to maize in Zimbabwe this year is 1.8 million hectares, which compares with 1.37 million hectares in 2000, but 300,000 fewer tonnes of maize will be produced as yields decline from 1.18 tonnes to 0.74 tonnes per hectare. How can yields be improved? The Select Committee report discusses conservation agriculture, which is supported by the protracted relief programme that the hon. Member for Birmingham, Northfield (Richard Burden) mentioned. As the report states, Christian Aid recognises that

"DFID's consistent support to this area despite initial reluctance by other key stakeholders"

has been vital, highlighting that it

"had been particularly beneficial to vulnerable communities"

and that it was

"proven to lift households out of subsistence poverty".

I congratulate DFID on its support for that programme under both the previous and current Governments and on taking the lead on it.

Conservation agriculture teaches people how better to manage their land and how to get a profitable harvest. According to Christian Aid, it enables households to get at least two, three, five or, in many cases—I could hardly believe this—10 tonnes of maize per hectare. That is quite incredible and I welcome the Select Committee's recommendation that DFID should explore how conservation agriculture could be extended to other parts of sub-Saharan Africa where it could be used. I also welcome the Government's positive response to that suggestion and I ask the Minister to ensure that that support continues.

The ordinary people of Zimbabwe have suffered grievously over the years, but they have shown, as many speakers have said, extraordinary resilience and courage. There is no doubt that the country can once again become the agricultural powerhouse that it should be. Proper land reform, not arbitrary seizure and settlement, is an essential part of that, as is effective support to the growing number of smallholder farmers. I welcome the Committee's report, DFID's response and the Government's continuing commitment to the people of Zimbabwe.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. I intend to call the wind-ups at half-past 6 and about four Members wish to participate in the debate. If hon. Members show some self-restraint on time, that will be very useful and will allow more Members to get in.

6.4 pm

Kate Hoey (Vauxhall) (Lab): I apologise for having had to leave the debate for a short while. I had an 88-ye[illegible]-old constituent, Mary Gentry, coming up today and I had to have a cup of tea with her.

I welcome the report very much. The right hon. Member for Gordon (Malcolm Bruce) persevered although I know there were times when he felt that he would perhaps never get the Committee to Zimbabwe. That was due not necessarily to what was happening in Zimbabwe, but to things at this end. I welcome the fact that he was able to go and welcome in particular the fact that the report highlights the generous assistance given—quite rightly, in my view—by the people of the United Kingdom to the people of Zimbabwe, despite all the lies and the venom that Mugabe and ZANU-PF have directed at us.

As chairman of the all-party parliamentary group on Zimbabwe, I am glad that we were able to give some little help to the inquiry and to members of the Committee in planning the programme for their visit to Zimbabwe. As the House knows, during the period when it was almost impossible for UK parliamentarians to visit Zimbabwe, I undertook several undercover visits to that country to see at first hand what was happening on the ground. Things have improved, because on my last visit

I was able to go in bona fide as Kate Hoey, Member of Parliament, which was quite nice. However, it is sad that, despite the resilience of those pressing for reform in Zimbabwe, there is still some way to go before conditions will be right for normal engagement by the UK in rebuilding the infrastructure, economy and institutions of Zimbabwe.

Just last week, on 29 and 30 November, our Minister for Africa, the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for North West Norfolk (Mr Bellingham), represented Her Majesty's Government in Tripoli at the third EU-Africa summit. Six topics were dealt with at plenary sessions. Of those topics, two in particular were relevant to creating the right conditions for engagement and progress towards development in Zimbabwe. Topic No. 4 covered peace and security, while topic No. 5 looked at governance and human rights. I very much hope that the Minister here tonight will give us details of commitments made and undertakings given on specific human rights issues by participants at the summit. I am sure he will have been briefed by the Minister for Africa and hope he can mention those subjects.

Unfortunately, Mugabe attended that summit, which in itself is rather outrageous and has been a cause for concern. I hope the Minister can tell us that Mugabe's own record of political violence and human rights abuse was raised during discussions in Tripoli. In February 2002, the European Council imposed restrictive measures on named Zimbabwean individuals, following the expulsion of the head of the EU observer team covering the presidential elections. The Council said at that time that the

"EU remained profoundly concerned at the continuing political violence, the serious violations of human rights and the restrictions on the media in Zimbabwe."

The specific reference to restrictions on the media was significant. Now, nearly nine years later, there is still grave cause for concern—not only at the lack of progress towards freedom of the press, but because there is still no genuinely open and depoliticised state broadcasting network. People could watch a television news bulletin in Zimbabwe and think that the Movement for Democratic Change and Morgan Tsvangirai did not exist.

Recently, the all-party group on Zimbabwe was addressed by Foster Dongozi. Foster is secretary-general of the Zimbabwe Union of Journalists and president of the Southern Africa Journalists Association. He gave a very sobering account of the continuing difficulties facing members of his profession in Zimbabwe and a bleak assessment of the general political environment in the country, rather similar to our ambassador's report.

Dongozi gave examples of abuses of human rights, which sadly continue to be very widespread. Relentless harassment and political persecution are meted out to those who campaign for reform and stand up to the political and economic bullies of the ZANU-PF elite and, increasingly importantly, the military high command.

The country-wide process of consultation on constitutional reform, which should have started but had not done so when the Committee visited, has been severely impaired by violence. There has been a deliberate intimidation programme throughout the country, very carefully planned by those who see reform as a threat to all their entrenched political and economic privilege. That intimidation is reinforced by the many repressive laws that remain on the statute book. They deny Zimbabweans freedom of association and freedom of expression. Foster Dongozi mentioned a number of statutes that particularly need to be repealed or radically amended: the Access to Information and Protection of Privacy Act, the Public Order and Security Act and so on. He drew attention to the recent detention of Dumisani Sibanda for reporting that the police force was recruiting Mugabe loyalists, so-called war veterans, in preparation for elections next year, which it is. Mr Sibanda is president of the Zimbabwe Union of Journalists and works for Zimbabwe's *Newsday* and *The Standard*. Earlier this month, the freelance journalist Sydney Saize was beaten up in Mutare, and on the same day in Harare two other freelance journalists, Nkosana Dlamini and Anderson Manyere, were arrested, detained and then charged with "criminal nuisance".

Roy Bennett, whom we all know very well in this Parliament, a very brave Zimbabwean whose great-grandfather, interestingly enough, came from Coleraine in the constituency of the hon. Member for East Londonderry (Mr Campbell), has had to leave Zimbabwe again and go to South Africa, because he has been told very clearly that the police are after him. He spent many months in prison. There is even a warrant out for the arrest of Wilf Mbanga, who edits *The Zimbabwean* from exile here in the UK, so I hope that the European arrest warrant does not apply. I hope that Her Majesty's Government use every opportunity to raise those cases directly with the Government of Zimbabwe and with other Southern African Development Community Governments, who stood as guarantors of the global political agreement.

The International Development Committee's report makes one reference to the worrying developments surrounding the recent discovery of diamond deposits in Zimbabwe. Since the Committee's visit, the impact in terms of human rights abuses against those engaged in mining has been widely reported and become a huge issue. The wider impact in terms of corruption and a distortion of the political landscape should not be underestimated, either. It will have a direct effect by undermining efforts towards economic and social development.

The Kimberley process group, at its recent meeting in Jerusalem, could not reach agreement over whether Zimbabwe had complied with the conditions to allow diamonds from Marange to be certified for sale. Despite the deadlock, and in what seemed to be a rather irregular intervention, however, Abbey Chikane, the Kimberley process monitor for Zimbabwe, intervened personally to certify rough diamonds from Marange for sale. The auction raised $160 million, but when the sale came to light Mr Chikane's actions were overruled by the Kimberley process chairman, Boaz Hirsch.

I have expressed my concern before to the UK Government about the behaviour of Mr Chikane, and I hope that in responding to this debate the Minister will be able to say something more about that important issue. The Kimberley process group is currently chaired by the European Union, so we as an EU member state have some traction and a real responsibility to ensure that the key commitments in the agreed joint work plan are met by Zimbabwe—perhaps even more so, given that the Zimbabwean Minister for Mines and Mining Development announced that Zimbabwe would boycott

[Kate Hoey]

the most recent meeting of the working group on monitoring in Brussels. From what I have said on press freedom, intimidation over the constitution outreach programme, elections preparation and diamond mining, it is clear that in many areas human rights violations continue.

Paragraph 64 of the Committee's report points out that international donor re-engagement will be determined by two key benchmarks: the extent to which the global political agreement is implemented in Zimbabwe, and progress towards The Hague principles. Owing to the lack of time, I shall not go through those principles, but they clearly state that several things must happen, so I urge the Minister to do all he can to ensure that the UK brings the issue to the attention of our EU partners, because, importantly, in February they will consider the renewal of restrictive measures on certain named Zimbabweans.

My hon. Friend the Member for York Central (Hugh Bayley) quite rightly said that those are not sanctions but restrictive measures, and, although the restrictions, including a travel ban and assets freeze, have been widely misrepresented in Africa, the measures are targeted only at those closely associated with the abuse of human rights in Zimbabwe. It would be foolhardy to lift them on the promise of good behaviour in future, but I worry that behind the scenes somewhere in the European Union people might well be discussing that.

The restrictions must be lifted only once reforms have been implemented on the basis of the undertakings that Mugabe made when he signed the global political agreement. I am sure that ministerial discussions are already under way, because I know that these things take time, and I hope that the Minister takes from this debate a clear message to our EU partners that the targeted measures must be maintained against those who still impede reform in Zimbabwe. I cannot stress how important that is. It is absolutely crucial, because those restrictions continue to play an important part in supporting those who struggle for human rights.

Finally, we all know what an amazing country Zimbabwe is, particularly those hon. Members who have just visited it for the first time. It is a country full of resilient people. It is a country that was once very prosperous and could be prosperous again. The people just need the opportunity to elect, in free and fair elections, a Government who respect the rule of law and the human rights of every Zimbabwean. There cannot be free and fair elections without a new voting roll, a new constitution and genuinely independent election observers. If, along with the EU, we donate to and help Zimbabwe, there must be monitoring of its elections beyond that of the African Union. The Commonwealth must be involved and there must be commitments from all the countries that have been so supportive. Our new Government, who I am pleased are sticking to what the previous Government did, must keep reminding the Zimbabwean Government, South Africa and the African Union of their responsibilities. South Africa said formally that it would endorse, support and monitor the global political agreement. That must be done, and Parliament will continue to give as much support as possible.

6.15 pm

Neil Parish (Tiverton and Honiton) (Con): I support what the hon. Member for Vauxhall (Kate Hoey) said. In 2000, I was an election observer in Zimbabwe. I was banned by Mugabe because I was so critical of the regime—I said that it was destroying democracy and the country.

Regardless of the good or bad of the colonial past, Mugabe is now a dictator, and as such, he needs something to attack. He has therefore attacked white Zimbabweans. Like other hon. Members, while I was there I noted how much respect there was between white Zimbabweans and black Zimbabweans. The issue is a political one that was brought about by ZANU-PF and Mugabe. That concentrates the mind on how he has destroyed the country.

I endorse the Minister's view that the issue is one of governance. Whatever we do in Zimbabwe, unless we get the governance right, most of the money will be frittered away.

As many hon. Members have said, Zimbabwe is not a country that is poor in resources. Speaking as a farmer, I know that it has some of the most benign and beautiful land anywhere in the world. When it was settled many years ago, two crops of wheat could be grown a year. The resources are therefore there. This was not only about sharing out land, but about having commercial farming so that Zimbabwe can produce real resource.

The way in which Mugabe and the ZANU-PF regime destroyed the farms in Zimbabwe did not affect only the people who owned the farms; there were medical centres and schools on the farms, so as the farms were destroyed, the infrastructure was destroyed along with them. Those things must be rebuilt.

The regime now wants to take control of all white-owned businesses. What Zimbabwe actually needs is internal investment. It is good that we can provide investment, but if we could get the political situation right, investment would come to Zimbabwe because it has the potential to build its economy quickly, as many hon. Members have said.

Zimbabwe is an interesting country, because it is—or certainly was—one of the most educated countries in Africa. For a man who wants to run a dictatorship, perhaps that was the greatest mistake: Mugabe educated the people of Zimbabwe so that they could see a better way and a better future. That is what brought about the MDC.

As we help and support Zimbabwe, we must ensure that we do not further the regime of Mugabe and ZANU-PF and that we see real change. It was with great sadness that I and many hon. Members watched that great country being destroyed. It can rise again, and I believe that it will. As the Minister considers support for Zimbabwe, I hope he will bring about real change, and I am sure he will. We must not forget that ZANU-PF and Mugabe do not believe in democracy and do not understand it as we understand it; they just believe in intimidating and persecuting people and ensuring that they vote for them. Anything that we can do to bring about democratic change will also bring about economic change and a prosperous Zimbabwe in future.

6.20 pm

Anne Marie Morris (Newton Abbot) (Con): I should like to bring to the House's attention the plight of

former public sector workers in Zimbabwe, when it was Southern Rhodesia. Their pensions have not been paid for some considerable time—almost eight years, since 2003. Today I ask the Minister to consider what he can do for the aid fund to help those individuals, UK citizens among them, to regain their pensions.

The Minister will be familiar with the history of the case. Between 12 December 1979 and 17 April 1980, Southern Rhodesia was ruled directly by the UK. The pension fund that then existed was a consolidated revenue fund with no trustees. That meant that Her Majesty's Government, who effectively took on responsibility for the fund when they were in government in Southern Rhodesia for that very short period, had a duty of care. On Zimbabwe's independence, the UK Government were concerned to ensure that appropriate provisions were made, and they believed that there were full safeguards in the new constitution for the pension arrangements of former public sector workers. The reality, however, was rather different.

In February 2003, the Reserve Bank of Zimbabwe failed to make foreign currency available for those pension payments, which was in breach of paragraph 2(1) of schedule 6 and section 112 of the constitution. A number of requests have been made to secure the restarting of the pension payments and, as I understand it, in September 2009 the director of the Zimbabwean Government's pensions office indicated that $3.5 million might be available and asked for applications from previous public sector workers now living in South Africa, Australia or the UK. So far, 850 applications have been received from those now living in South Africa and 350 from individuals in the UK. They are represented by a body called the Overseas Service Pensioners Association, which for many years has been championing the cause of getting the pensions payments started again.

OSPA has tried to establish how many individuals are affected across the world, and the best estimate is 1,200. There are different estimates, but OSPA believes that that is the right figure. That is relevant because until we understand how many people are affected, it is hard to quantify the figures that we are talking about and therefore reach a ballpark estimate of how much help we are seeking from the Minister and his aid budget.

Having reached that number and examined the applications already received, OSPA has calculated that if it allows for a reduction of one third for options of commutation, which most pensioners have taken up, and then uprates the figure to reflect the increase in the retail prices index, the appropriate annual figure to cover all individuals affected would be £4 million. It has made the same calculation for the back payment, which comes to £26 million. OSPA is realistic and recognises that there is no real chance of getting the back payment, but it would like some support from the Government to help it at least to reinstate the old pension amount.

OSPA would like the Government to work with the Zimbabwean Government to identify whether they really do now intend to make sums available, and to consider setting up a review of what the Department for International Development can do, using its aid budget or any other source of funds, to put the individuals affected back in pocket. They are ageing, so if we do not do something shortly, the money will not have the value to them that it should.

6.24 pm

Tony Baldry (Banbury) (Con): I should like to make three points to the House in the closing moments of the debate. First, it was extraordinarily helpful that the right hon. Member for Gordon (Malcolm Bruce), the Chair of the International Development Committee, brought the House up to date with the views of our ambassador in Harare. That is a good precedent. Some time has passed since the Committee visited Zimbabwe in February, and it would be helpful if in future ambassadors or high commissioners shared with the House an open letter or report to bring the House up to date on their views before such debates. We are now much more used to open diplomacy, and I would have thought that that would be a genuine benefit to the House.

Secondly, the views of the three members of the Committee who went to Zimbabwe were also a great benefit to the debate. Sections of the Poujadist press seek to portray any overseas visit by right hon. and hon. Members as some sort of a jolly, but having spent a Parliament chairing the International Development Committee, I must say that there is nothing jolly about witnessing other people's chronic and enduring poverty, or seeing people suffering from HIV/AIDS, or talking to people about the deplorable conditions in which they live because of poverty. The House benefits enormously from the first-hand experience and testament of those who have witnessed—in this case—Zimbabwe. The work done by members of the Committee is much to be appreciated, because when they go to places such as Zimbabwe they spend a week away from the House and are unable to do their constituency work, so when they return, the burden on them is even greater.

My third point has not been touched on in the debate, which is why I am keen to make it. I suspect that many right hon. and hon. Members have not insignificant Zimbabwean communities in their constituencies. Many of those people have for some time been in limbo. Comparatively few of them were granted refugee status, but for perfectly understandable reasons, successive Home Secretaries decided not to order those who were refused refugee or asylum status to return to Zimbabwe. Those people have therefore been here in limbo, and many have been unable to take up work.

I am sure that other hon. Members know of people in the same situation. I am talking about teachers, trade unionists and farmers—people who have real skills. One tragedy of conflict-affected countries is the flight of intellect, as much as the flight of capital. Such people could make a real contribution to life in Zimbabwe again. I therefore hope that Ministers will consider this proposal. There will come a time—hopefully—when those people will increasingly want to return to Zimbabwe. I do not think that we should look at my proposal in terms of giving people money to go home, because those people have real skills. Given that the total aid budget for Zimbabwe is $100 million, will my hon. Friend the Minister consider the possibility of an endowment fund, whereby talented Zimbabweans resident in the UK could apply to DFID for an endowment to return to undertake a specific project or work, whether health care for nurses, teaching for teachers, or farming for those with farming skills? That would be a positive encouragement to people. Their talents could be acknowledged and recognised, and they could go back

[Tony Baldry]

to Zimbabwe with the finances first to give them the confidence to return, and secondly, to make a real difference.

Otherwise, we—the NHS and so on—will benefit from their talent, skills and education, but for a generation all that talent, knowledge and expertise has effectively been stolen from Zimbabwe. That is another piece of collateral damage inflicted upon Zimbabwe by its political situation. I suspect that many of those who are here—especially as they have not been granted refugee status, and given the continued unsettled nature of their lives here—would welcome the opportunity to make a contribution in their own country. I hope that my hon. Friend the Minister and colleagues in the Home Office will give some creative thought to how we can enable Zimbabweans to return to Zimbabwe to make a positive contribution, rather than feel that they have to cling on here because they have no future back home.

6.30 pm

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I join the hon. Members who have thanked the Committee for this excellent report. It has given us a good foundation for our debate today, and I am sure that the House will agree that we have had a particularly well-informed debate because of the expertise shown by many hon. Members across the House, both from their work on the Committee and from previous work experience in Africa and elsewhere.

The key question which faces the Government, and which faced the previous Government, was how we can provide development assistance to Zimbabwe and support for reform and a return to democracy while at the same time ensuring that we do not provide succour for the hard-line repressive elements of the regime. That is a delicate path to tread, but it is our view that the only way forward is to pursue that twin-track approach. We must seek to help the people of Zimbabwe who have suffered so much in recent years, but at the same time we must maintain the pressure for reform, democratisation and an end to brutality and terror by those in the Government who want to maintain their power and corrupt rule.

In the debate, hon. Members have spoken about the poverty, the degradation of the health service, the state of the economy and the political repression in Zimbabwe. The hon. Member for Mid Derbyshire (Pauline Latham) spoke about the repressive legislation over many years. My hon. Friend the Member for Birmingham, Northfield (Richard Burden) reminded us that the UN human development report placed Zimbabwe last out of 169 countries in its most recent index. The hon. Member for East Londonderry (Mr Campbell) reminded us that the unemployment rate in Zimbabwe is between 80% and 90%. The hon. Member for Central Suffolk and North Ipswich (Dr Poulter), using his experience and expertise, told us of the collapse of the health infrastructure, which has caused a massive increase in the maternal mortality rate. My hon. Friend the Member for Vauxhall (Kate Hoey) reminded us of the continuing intimidation of the opposition media in Zimbabwe despite the global political agreement.

As several hon. Members have said, Zimbabwe did not need to be in its present position. The cause of the people's suffering is the actions—and sometimes the inaction—of the regime. The country still has the potential to be one of the most prosperous countries in Africa, as the hon. Members for Stafford (Jeremy Lefroy) and for Tiverton and Honiton (Neil Parish) reminded us. It is because of the magnitude of the problem that the Labour Government instituted a substantial programme of assistance to Zimbabwe. In 2009 UK aid was worth £60 million, the largest ever programme of UK aid to Zimbabwe. As the right hon. Member for Gordon, (Malcom Bruce) who chairs the Select Committee, reminds us, that assistance and those programmes of assistance from other countries have produced results. He told us of his visit to a hospital that had begun to operate very effectively as a result of the assistance given under the programmes. My hon. Friend the Member for York Central (Hugh Bayley) also reminded us that with investment and improvements in the infrastructure, the education and health systems could once again provide an effective service in many parts of the country.

The Committee report refers to the protracted relief programme supported by DFID, which—it points out—has already reached millions of vulnerable people in Zimbabwe and has been praised by the NGOs who take part as an "innovative flagship programme" of which DFID should be proud. The Committee recommends that the Department explore the option of scaling up the programme in Zimbabwe, and we support that recommendation.

The report also raises some questions about the operation of the protracted relief programme and makes some recommendations to make it even more effective. I note that that Government's response says that they will consider those issues in their annual review of the programme, and we support that, but it should not be taken as detracting in any way from the overall achievements of that successful programme.

Alongside direct development assistance, the UK has also provided support to the office of the Prime Minister, Morgan Tsvangirai, to enable him and his office to fulfil the functions set out in the global political agreement on policy design and implementation. Again, the Select Committee proposes that such support should continue, and we agree with the recommendation. We also agree with the recommendation that such support should be offered to other reforming ministries in the Government.

There are, of course, many question marks over the future of a power-sharing agreement in Zimbabwe, not least because ZANU-PF has substantially retained much of its hold on power. The Select Committee report points out that Mr Mugabe and ZANU-PF have not fulfilled their undertaking and have sought to undermine the MDC's ability to deliver even in its limited areas of Government. Nevertheless, as the report also points out—and as has been made clear by a number of hon. Members—there has been some progress since the agreement. That is one of the reasons why it is right to continue with the DFID programme of assistance in Zimbabwe. That programme should be along the general lines of the existing programme, although we could make changes to it to draw upon the experience of the programme to date.

I note, for example, that the Select Committee raises the issues of maternal and child health, and suggests that the Government should consider the need and the opportunity for more support to rebuild the health system to provide improved quality of care, especially

for pregnant women and children under five. That support would certainly be most welcome. It would be useful to hear from the Minister how the Government will consider implementing the recommendation relating to that aspect of the Select Committee report.

One suggestion that I would certainly commend to the Government is that DFID should commit itself to help to fund the removal of user fees for health services in Zimbabwe. That has produced amazing results in places such as Sierra Leone. We must also consider ways of supporting civil society organisations more directly, particularly in the run-up to the planned referendum on a new constitution. It must be emphasised that there has to be real progress towards that constitution, which was a crucial element of a global political agreement. A new constitution should have been adopted before new elections were held, and that should certainly still be our objective.

One other question that the Minister might be able to answer is that raised by the Select Committee about the Multi-Donor Trust Fund. Again, that has been widely recognised as providing a way of giving assistance without the risk of funds being diverted away from their intended purpose. The Government do not say anything specific about their attitude to the future of the fund in their response to the Committee's report. I hope that the Minister will confirm the UK's continued support for that type of initiative.

In my opening remarks I said that there must be a twin-track approach. The first track is to provide direct assistance to benefit the people of Zimbabwe and to ensure that that does not in any way provide sustenance to the hard-line repressive elements in the regime. That type of direct assistance must continue, and we endorse the Select Committee's recommendation that the UK should give a high priority to Zimbabwe not only through the work of DFID but through that of the Foreign and Commonwealth Office, and other Departments where relevant.

Given the obvious reluctance—to put it mildly—of ZANU-PF to share power in a genuine way, the second track is to ensure that pressure for change is maintained. As a number of hon. Members have pointed out, a key role has to be played by Zimbabwe's neighbours. The Zimbabwean Government must comply with the rulings of the Southern Africa Development Community tribunal. The economic decline and instability in Zimbabwe has damaged all its neighbours in southern Africa, and we hope that those neighbours will continue their efforts to bring about reform and the full implementation of a power-sharing agreement. I would be interested to hear the Minister say, if he can, what recent contacts he has had with SADC tribunal members to make the point about the need to provide continued pressure on the Zimbabwe regime.

The entire world community must also play its part. We certainly endorse the recommendation of the Select Committee that

> "progress on human rights and democracy must be demonstrated before all the EU's restrictive measures placed on named individuals and organisations…can be lifted."

I agree with what my hon. Friend the Member for Vauxhall said about that. There needs to be a flexible approach to the application of such measures, and they need to be kept under review to ensure that they are targeted most effectively. One example concerns the export of diamonds. Hon. Members have raised concerns that the proceeds have been diverted into the pockets of leading figures in ZANU-PF. That situation, and the evidence of forced labour and of the torture and harassment of miners, means that it is right that Zimbabwe should not be allowed a full resumption of the export of diamonds at this stage.

As I have said, ordinary Zimbabweans have suffered awfully over the past decade. We know that not just from what we see in the media or from the conclusions of reports such as the one that we are discussing today, but from speaking to Zimbabweans who have come to the UK. Like most Members, I meet them in my constituency. The hon. Member for Banbury (Tony Baldry) made some important points about the role that they could play while they are resident in the UK. Zimbabwe has all the potential to become once again an economic and agricultural powerhouse for southern Africa. We believe it right for the UK not just to provide humanitarian assistance in the short term, but to assist with the reconstruction of the country. However, that can be achieved only once there is genuine political reform—a democracy in which all parties compete on a level playing field, a free press, an end to the abuse of power and to violence, and the firm establishment of the rule of law.

6.40 pm

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): I extend my thanks and congratulations to the Chairman of the Select Committee on International Development, my right hon. Friend the Member for Gordon (Malcolm Bruce), on arranging this debate, which allows the Committee's excellent report on its important visit to Zimbabwe earlier this year to gain wider exposure in the House. The visit was extremely welcome, and was regarded as an important and excellently conducted process, not least by the Chairman. That was the feedback that we received from all those who came into contact with him and his Committee. It is unquestionably the case that he set the right tone, so ably and so sensitively, in leading this debate, on a country where we all want to see great improvements for the people, while also recognising that there are great sensitivities that we have to respect and therefore work our way around. It was absolutely right that the Committee should have gone to Zimbabwe, as my hon. Friend the Member for Banbury (Tony Baldry) said. Such visits count enormously in ensuring that we are well informed in this House and as part of the decision-making process.

I wish to place on record my admiration for those, from all parts of the House, who have made such thoughtful contributions to this debate, including those who sit on the International Development Committee, and in particular those who sat on it in advance of the general election. I am grateful both to the Committee, for the time and effort that it has put into reviewing my Department's assistance to Zimbabwe, and, similarly, to the all-party Africa group, of which I was formerly a member, for its insightful and authoritative report on land in Zimbabwe earlier this year, which was debated in Westminster Hall. That debate was notably led by the hon. Member for York Central (Hugh Bayley), who spoke knowledgably, passionately and pragmatically.

I need to declare a sort of interest. Although I was born up the road from Zimbabwe, in Tanzania, and was

[Mr Stephen O'Brien]

raised there and in Kenya, my parents lived in Harare in Zimbabwe in the mid-1980s.

The Committee's inquiry into the DFID programme came at an opportune time. It was published about 15 months after the inception of the global political agreement and nearly a year after the formation of the inclusive Government—the Government of national unity. The GPA created the necessary space, as it has rightly been defined, to allow that necessary, but admittedly not perfect, situation to arise. I welcome the report and thank the Committee for its understanding not only of the challenges that Zimbabwe unquestionably faces, but of the significant potential to rebuild the country. The Government, and my Department in particular, greatly appreciate the fact that the report roundly endorsed the UK's work in Zimbabwe and commended many of our programmes.

I am also pleased that the Committee acknowledged that DFID spending—about $100 million—is effective and reaches the intended beneficiaries, and that we have therefore helped to reassure hon. Members and others who may have had questions about taxpayers' money being well spent. DFID, along with its donor partners, is effective in Zimbabwe at reaching the poorest and most vulnerable people. UK support saves lives, builds livelihoods, helps to restore the foundations for future growth and provides basic services. As has been mentioned, it is equally important to recognise that private sector development activity, both internally and through foreign investment, can help towards achieving the critical aim of generating the necessary conditions for confidence. I should add that the report has been helpful in informing the ongoing bilateral aid review that my Department is undertaking. All the spending plans for each country, including Zimbabwe, are under active consideration, and as the ministerial team member covering Africa, I can testify that this has been an incredibly time-consuming, intense, detailed and rigorous process, but also a very rewarding one.

Since the formation of the inclusive Government, our programme has shifted from one primarily focused on humanitarian support to one focused on the provision of basic services, especially in health, education, water supply and livelihoods, as my hon. Friend the Member for Mid Derbyshire (Pauline Latham) pointed out. This evolution towards longer-term programmes that tackle the underlying causes of poverty and vulnerability was endorsed by the International Development Committee.

DFID has a high-quality, professional team on the ground, led by the DFID head of office, Dave Fish, and I pay a very warm and respectful tribute to him and his team. I note with genuine respect and gratitude the Committee's conclusion that the DFID team has played an important leadership role in creating opportunities for joint efforts by like-minded donors. I am also pleased to note how the various parts of Her Majesty's Government are working extremely well together in Zimbabwe, co-ordinating, collaborating and complementing each other. Tributes have already been paid to Her Majesty's ambassador in Zimbabwe, Mark Canning, who continues to play an absolutely critical role.

The UK led the establishment of the educational transition fund, managed by UNICEF, which will provide a set of core textbooks to every state primary school student in Zimbabwe this year. The UK also led the negotiations leading to the creation of a multi-donor trust fund that will provide funding to meet critical infrastructure needs, which partly answers the point raised by the hon. Member for Edinburgh North and Leith (Mark Lazarowicz). UK aid to Zimbabwe has achieved substantial results and brought real benefits to Zimbabwe's people, particularly some of its poorest and most vulnerable and the hardest to reach. It operates without political prejudice, with beneficiaries selected solely on the ground of need, not of political affiliation. One point that came out of the debate was how we need to respond to the demand that is coming up from the people of Zimbabwe, rather than looking at the matter from the top down. The hon. Member for East Londonderry (Mr Campbell) rightly pointed out that the needs of those people are monumental.

In order to update the House and the Committee on progress, I shall give a few examples of the impact we have had. In 12 months, the UK, focusing very much on results and outcomes, has helped to provide essential medicines to 1,300 primary care clinics and rural hospitals. My hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) made some important points about that. We have also distributed 43 million condoms and delivered 41,000 antiretroviral treatments. About two thirds of ARVs go to female beneficiaries, and about one third to men. The important work in this area was also mentioned by the hon. Member for East Londonderry.

The UK has refurbished infrastructure in six key public hospitals in cities and large towns across the country: Harare, Mpilo, Bulawayo, Mutare, Gweru and Masvingo. We have supported 256,000 smallholder farmer households, covering about 1 million people, with seeds and fertilisers in a flagship livelihoods programme, and helped 20 urban councils to provide their residents with access to clean water, reducing the impact of cholera and other water-borne diseases. We have also supported the Ministry of Finance to produce a cash budget for 2010—the first credible budget in years. It is vital to recognise that the health element is a key lever in what we are trying to achieve, along with livelihood programmes in the rural areas.

As all this suggests, the UK has played a leading role in restoring essential health and other services to the people of Zimbabwe, which had collapsed almost completely by late 2008. DFID's support is provided through the most effective mechanisms available in any given sector, and our work with UNICEF and others played a major role in addressing the cholera outbreak in 2008-09.

Phase 2 of the protracted relief programme was mentioned; the PRP is now reaching about 2 million people. It is effective, and we hope that, with gradual economic recovery, PRP beneficiaries will start to be able to meet their own needs and graduate from donor support. We have a series of refreshed and innovative monitoring and evaluation processes in Zimbabwe. We recognise the concerns of some non-governmental organisations about the scale of the PRP, and we have met them regularly, including through issuing open invitations to quarterly meetings with the head of the DFID office. The vast majority of PRP funds go to the recipients on the ground, and to help to keep local NGOs running and operational.

Following the establishment of our coalition Government here in the UK, the Secretary of State initiated a thorough review of all bilateral aid programmes. As this process is not yet complete, it would be inappropriate for me to pre-empt it by anticipating the final conclusion. However, for as long as the UK is able to achieve results and value for money in Zimbabwe, I would anticipate continuing to provide it with substantial support, given the scale of ongoing need and growing demand. This is in line with the conclusions of the International Development Committee inquiry across a number of its recommendations.

For example, the IDC has tasked DFID with doing even more on maternal and child health—a point raised by my hon. Friend the Member for Central Suffolk and North Ipswich—and I am pleased to say that this chimes well with the development priorities of the coalition Government. I simply ask the House to be a bit patient and await the outcome of the review; we can aim for more precision at the end of that process.

Although the revenue of the Government of Zimbabwe is increasing, little money is available for recurrent or development activities once the public service wage bill has been met. The finance Minister there is conscious of the need to maximise Government revenue, particularly from mining. Clearly, all the people of Zimbabwe, not just a corrupt few, should benefit from rich resources.

The issue of diamonds was raised by the hon. Member for Vauxhall (Kate Hoey) and others, not least the right hon. Member for Gordon. Zimbabwe will not be able to export diamonds legally from Murange under the Kimberley process. We and our EU partners have put measures in place to prevent non-Kimberley-process-compliant diamonds from entering our markets, but we call on Zimbabwe to maintain a firm commitment to the process and to continue to take action to bring all operations into compliance with it. That would facilitate contributions to Zimbabwe's economic development. We note with disappointment that the Zimbabwe Minister for mines, Mpofu, declined to attend the Brussels meeting on 23 November. The Brussels working group on the Kimberley process permits exports from compliant mines—Mbada and Canadile—and ensures that exports from mines that are not compliant do not enter EU markets.

Zimbabwe's inclusive Government, which took office in February 2009, have made considerable progress since they started stabilising the economy. The economy is growing for the first time since 1997—by 7% in 2010 and by an anticipated 8% in 2011. Inflation is low and basic education and health services have been pulled back from the brink of collapse. It is fragile and complex, however; it is certainly not quick and easy.

Returnees—whether they be from South Africa or, indeed, as my hon. Friend the Member for Banbury urged, from the United Kingdom—are an important potential source of the consolidation of the economic reforms. I point out to my hon. Friend that the international health partnerships provide a significant opportunity and that those Zimbabweans without legal status in the UK who decide to return to Zimbabwe voluntarily are already entitled to a package of financial assistance from the Home Office. I hope that provides him with some encouragement. Clearly, the skills are necessary to ensure the economic underpinning.

The same applies to workers who were driven off farms. Another important aspect of our debate has been the importance of underpinning the economic confidence that we require and hope to see develop, which comes from the sensitive complexities of the land reform process.

I was asked what we are doing, above all, to help UK or other businesses to invest in Zimbabwe. Confidence is all, given the real difficulties that exist, not least in the agriculture sector. My hon. Friend the Member for Stafford (Jeremy Lefroy) raised that issue and he was supported by my hon. Friend the Member for Congleton (Fiona Bruce). Confidence about land tenure is important, and can be achieved either through licensing or by ensuring access to infrastructural developments, whether they relate to irrigation, storage or distribution through transport networks. The fund that we discussed earlier is important and we need to give a cautious welcome to the inclusive Government's decision to review the indigenisation process. It at least sends out a signal in respect of businesses with a 51% so-called indigenous ownership. That is now being reviewed, which we welcome, and it is an important part of the context of the points raised in debate.

Nothing will move in Zimbabwe without recognition of the political context. Progress in stabilising the economy still leaves power in the hands of hard-liners, whether in the military, the police or the intelligence services. With an unequal power-sharing agreement, things are difficult. Many Members were right to raise the issue of how neighbouring states, and especially South Africa and the Southern African Development Community, have a genuine opportunity and responsibility to lead engagement with Zimbabwe, hopefully resulting in the brokering of an agreement, which we anticipate will benefit the greatest possible number of people in Zimbabwe. That was the main point made by the hon. Member for York Central. As guarantors of the global political agreement, South Africa and SADC are in an important position, which we wish to support. We stand ready to do what we can to support that process.

I will write to my hon. Friend the Member for Newton Abbot (Anne Marie Morris) about the pensions issue. I must declare an interest, as my father is in a similar position, having been denied much of his pension from his overseas civil service career.

To give time to the Chairman of the Select Committee to reply to the debate, I will finish my remarks by reminding Members of the House that Zimbabwe was brought to its knees in 2008, as a result of years of economic mismanagement and a complete disregard for the rule of law and the well-being of the majority of the people. However, the potential for the country to bounce back quickly is significant. The economic prospects, notably in agriculture, minerals and tourism, are such that if the business climate improved, there should be no shortage of investors. The country's natural assets, combined with the outstanding human capital, even after millions have left the country in recent years, still set Zimbabwe apart from much of Africa. In my belief, the creation of such organically driven conditions is in Zimbabwe's DNA, and its potential can be unlocked once again. As a landlocked country, however, Zimbabwe and its neighbours are interdependent. In that regard, my hon. Friend the Member for Stafford drew on the Tanzanian example, which is extremely important.

[Mr Stephen O'Brien]

So much hinges on the politics and on putting in place a system of governance and accountability that allows the economy and people to thrive. I confirm that the UK is committed to continuing to be involved in a partnership in supporting Zimbabwe and its people to recover and grow. My Department stands ready to continue to play its leading role, as part of a cross-Government approach, in helping to bring that about.'

6.58 pm

Malcolm Bruce: I am pleased that you are in the chair, Mr Deputy Speaker, as I wish to put it on record that you were a member of the Committee that took part in the visit to Zimbabwe. You will therefore have had a personal interest in the debate.

The debate has been extremely valuable, and it has been well informed by Members on both sides of the House who brought a variety of expertise and special interest to bear on the matter. It is also timely, because the next few months will see developments that could take Zimbabwe in a number of directions, not all of which are good, but I hope that some will have positive outcomes. I endorse the thanks not only to our ambassador, but to Dave Fish, whom I should have mentioned in my opening speech. He and his team gave us a huge amount of support and are doing a fantastic job in Zimbabwe.

I want to make two points. On farming, agriculture and land ownership, the tragedy is that the SADC tribunal has identified a way forward, and it has deemed that the regulations being applied by the Government of Zimbabwe are racist, as is the indigenisation legislation, which defines Zimbabweans not as citizens of Zimbabwe, but as black citizens of Zimbabwe, excluding a whole section of the community by their racial origin, not their citizenship. Clearly, it is unsatisfactory that SADC's position is unenforceable in one of its own member states, and that must be addressed in the longer term.

My final point is that however difficult the situation is, the MDC has control of finance through Tendai Biti, and has produced a cash-positive budget—

7 pm

Debate interrupted, and Question deferred (Standing Order No. 54(4)).

The Deputy Speaker put the deferred Questions (Standing Order No. 54(5)).

VOTE ON ACCOUNT, 2011-12

Home Office

Resolved,

That, for the year ending with 31 March 2012, for expenditure by the Home Office

(1) resources, not exceeding £4,490,851,000, be authorised, on account, for use for current purposes as set out in HC 593,

(2) resources, not exceeding £225,450,000, be authorised, on account, for use for capital purposes as so set out, and

(3) a sum, not exceeding £4,601,101,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund, on account, and applied for expenditure on the use of resources authorised by Parliament.

Department for International Development

Resolved,

That, for the year ending with 31 March 2012, for expenditure by the Department for International Development—

(1) resources, not exceeding £2,498,978,000, be authorised, on account, for use for current purposes as set out in HC 593,

(2) resources, not exceeding £700,200,000, be authorised, on account, for use for capital purposes as so set out, and

(3) a sum, not exceeding £2,962,928,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund, on account, and applied for expenditure on the use of resources authorised by Parliament.

The Deputy Speaker then put the Questions on the outstanding Estimates (Standing Order No.55).

SUPPLEMENTARY ESTIMATES, 2010-11

Resolved,

That, for the year ending with 31 March 2011—

(1) further resources, not exceeding £5,776,805,000, be authorised for use for defence and civil services as set out in HC 536,

(2) a further sum, not exceeding £5,707,827,000, be granted to Her Majesty out of the Consolidated Fund, to meet the costs of defence and civil services as so set out, and

(3) limits as so set out be set on appropriations in aid. *(James Duddridge.)*

ESTIMATES, 2011-12 (VOTE ON ACCOUNT)

Resolved,

That, for the year ending with 31 March 2012—

(1) resources, not exceeding £215,642,558,000, be authorised, on account, for use for current purposes as set out in HC 589, HC 593, HC 596, HC 604, HC 613 and HC 621,

(2) resources, not exceeding £21,660,305,000, be authorised, on account, for use for capital purposes as so set out, and

(3) a sum, not exceeding £195,788,281,000, be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund, on account, and applied for expenditure on the use of resources authorised by Parliament. *(James Duddridge.)*

Ordered, That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, Mr Chancellor of the Exchequer, Danny Alexander, Mark Hoban, David Gauke and Justine Greening bring in the Bill.

Consolidated Fund Bill

Presentation and First Reading

Mark Hoban accordingly presented a Bill to authorise the use of resources for the service of the year ending with 31 March 2011 and to apply certain sums out of the Consolidated Fund to the service of the year ending with 31 March 2011, and to authorise the use of resources for the year ending with 31 March 2012, and the issue of sums out of the Consolidated Fund for the year ending with 31 March 2012.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 111).

BUSINESS OF THE HOUSE (TODAY)

Motion made, and Question put forthwith, (Standing Order No. 15).

That, at this day's sitting, proceedings on the Motion in the name of Sir George Young relating to Business of the House (Thursday) may be proceeded with, though opposed, until any hour. *(James Duddridge.)*

The House divided: Ayes 315, Noes 216.

Division No. 146] **[7.2 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Hughes, Simon
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert

Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Mark Hunter

NOES

Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Chapman, Mrs Jenny
Clark, Katy
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Noes:
Mark Tami and Jonathan Reynolds

Question accordingly agreed to.

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)).

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the motion in the name of Sir George Young relating to Business of the House (Thursday)—(Mr Vara.)

The House divided: Ayes 320, Noes 216.

Division No. 147] **[7.18 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Hughes, Simon
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo

Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Chapman, Mrs Jenny
Clark, Katy
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Noes:
Mark Tami and Jonathan Reynolds

Question accordingly agreed to.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): On a point of order, Mr Deputy Speaker. Have you had any indication of a further Government statement on changes to their plans to treble student fees? I ask because the Institute for Fiscal Studies has brought out today a

report in which it confirms that graduates from the poorest 30% of households would pay back more than under the current system—a point seemingly lost on the Prime Minister today—and that the new system will generate perverse incentives for universities charging more than £6,000 to turn away students from poorer backgrounds. Given that it is now clear that the Government's proposals for student support seem to have been written on the back of the Deputy Prime Minister's fag packet, do we not need a statement to clarify things once and for all?

Mr Deputy Speaker (Mr Nigel Evans): Just to assist the House, I have not been given any indication that there is likely to be a statement today on that or, indeed, any other issue.

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Mr Deputy Speaker. The House will know that many Members from all parts of the country have been struggling to get here, and that last Thursday they faced very long journeys back to their constituencies throughout the United Kingdom. Have either yourself or the Speaker had an opportunity to discuss with the two Front-Bench teams and, in particular, the Leader of the House whether it might be appropriate, given the very severe weather conditions and the fact that, for example, the Army has been called out in parts of the United Kingdom, to cancel tomorrow's sitting so that we can reconvene when all Members are able to take part?

Mr Deputy Speaker: If there is likely to be any change to the business of the House tomorrow, the House will be told in the usual manner.

We shall now move on to the motion on the business of the House for Thursday. Before we do so, I ask hon. Members to look at the motion and to see how tight it is. I do not expect tomorrow's debate to take place today; nor do I expect a rehearsal of it.

Business of the House (Thursday)

7.36 pm

The Leader of the House of Commons (Sir George Young): I beg to move,

That, at the sitting on Thursday 9 December, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Secretary Vince Cable relating to Higher Education Higher Amount and, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), on the Motion in the name of Secretary Vince Cable on the draft Higher Education (Basic Amount) (England) Regulations not later than five hours after the commencement of proceedings on the first motion, or at 5.30 pm, whichever is the earlier; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

The motion is sharply focused on the timing of tomorrow's debate. It allows for the motions in the name of the Secretary of State for Business, Innovation and Skills relating to higher education to be debated together and for the Questions to be put after five hours or at 5.30 pm, whichever is earlier.

Chris Bryant (Rhondda) (Lab): Will the right hon. Gentleman give way?

Sir George Young: No, not at this stage. I will give way in a moment.

I expect to answer the business question tomorrow, but the Government have no plans for any other oral statements. We therefore expect the House to have a full day to debate and vote on the issues.

Chris Bryant: I tried to intervene at the precise moment when the Leader of the House referred to the precise words that I have trouble with: "whichever is the earlier". Why could it not be, "whichever is the later"?

Sir George Young: If the hon. Gentleman had wanted, he could have tabled an amendment to the motion and we could have debated it. No such amendment was tabled by any Opposition Member and I therefore assume that they are entirely content to stop at 5.30 pm.

Kevin Brennan (Cardiff West) (Lab) *rose*

Sir George Young: I want to make a bit of progress and then I will give way.

When I announced the business for tomorrow at business questions last Thursday, no Member on the Opposition Benches raised objections to the timing or the process of the motions. The process that we are using for the debate tomorrow is set out in section 26 of the Higher Education Act 2004, under which the regulations are to be made. The Opposition will be familiar with that process, given that it is their Act that allows us to make these changes by secondary legislation.

Kevin Brennan: I am grateful to the Leader of the House for giving way. Why in the motion did he choose the time of 5.30 pm? It is clear that the House's intention is that the point of interruption on a Thursday should be 6 pm. Why is it 5.30 and not 6 pm?

Sir George Young: No representations were made through the usual channels for an extension beyond 5.30. After 5.30, I anticipate that there will be votes, which will take us to 6 o'clock, when the House usually rises.

Mr David Hanson (Delyn) (Lab) *rose*

Sir George Young: I will make a bit more progress.

Our original business plan provided for a maximum of four and a half hours' debate.

Mr Hanson: Will the right hon. Gentleman give way?

Sir George Young: In a moment. The motion allows for the House to consider the statutory instrument and the resolution in a single debate, which removes the need for two sets of Front-Bench speeches and allows for more Back-Bench contributions.

Mr Hanson: The right hon. Gentleman will be aware that in Wales, where my constituency is, there is a policy not to treble tuition fees. Does he think that five hours is sufficient time for more than 500 Members from English seats to look longingly at my country?

Sir George Young: We had an Opposition day debate on the subject, when the right hon. Gentleman had an opportunity to debate the matter at some length. We are using the procedures set out in the legislation introduced by the Labour Government. We are following those procedures to the letter and allowing more time for the debate than was originally planned.

Several hon. Members *rose*

Sir George Young: I am going to make a bit more progress.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Will the right hon. Gentleman give way?

Sir George Young: No, I am going to make a bit more progress.

Paul Farrelly: On a point of order, Mr Speaker. It is simply not the case that no concerns have been raised about this procedure. I raised them in a point of order last week, if you remember, and they have been highlighted by the hon. Member for Leeds North West (Greg Mulholland) in an early-day motion. How can the House correct the record?

Mr Speaker: May I say to the hon. Gentleman, first, that as far as he is concerned, he has just done so. Secondly, I do indeed recall his point of order, which was in fact on Monday night. I would have serious problems with my short-term memory if I did not recall it, but I do.

Sir George Young: For the convenience of the House, the Divisions will be taken together at the end of the debate, as specified in the motion. As my right hon. Friend the Secretary of State for Business, Innovation and Skills has set out previously, it is right that we bring forward the motions now, to give prospective students and universities certainty before the 2012-13 application round starts.

Pete Wishart (Perth and North Perthshire) (SNP): It has been reported in the press that Thursday was selected as the day for debating the motions because of the hope that Scottish and Northern Irish MPs might not be present. Is there any truth in that? The Leader of the House can take great comfort from the fact that we will be here, and we will be voting against the motions.

Sir George Young: I am delighted that the hon. Gentleman will be here. I announced last Thursday that the debate would take place tomorrow, and no one objected once during business questions to the day that we chose for the debate.

A slower process would have been not only unfair to prospective students and their families but irresponsible, because of the need to tackle the fiscal crisis that the previous Government left behind. My intention in bringing forward this evening's motion was to allow adequate time for tomorrow's important debate. I hope that hon. Members in all parts of the House will support that intention, and I commend the motion to the House.

7.42 pm

Hilary Benn (Leeds Central) (Lab): I rise to oppose the motion. I must say to the Leader of the House that I had been expecting a better justification to the House of the thinking that lay behind this timetable motion. Perhaps he is embarrassed by the shambles of the past two days. Those who read *The Guardian* newspaper, as many of us do, will have read with great joy about the reference to the Liberal Democrats' hokey cokey when it comes to voting. Perhaps he did not want to be outdone and decided to have his own hokey cokey on this motion. The timetable motion was on the Order Paper for Monday and was objected to. It was on the Order Paper for Tuesday and the Government did not have the courage to move it, and it is back again tonight.

The Leader of the House says that he has not received any representations about the time that will be allocated. I have news for him: he is about to get a lot of representations, and the most important one of all will be when Labour Members all go through the Division Lobby to vote no to this motion.

The content of the motion is not surprising, even though it has changed a little since the version of yesterday and the day before. It is clear that the Government want one thing and one thing only: to spend as little time as possible on this matter, and to get it out of the way as quickly as possible.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Does my right hon. Friend accept that if only half the Members of the House wanted to take part in the debate tomorrow, that would allow only 50 seconds per Member?

Hilary Benn: I do indeed, and that illustrates a point that I shall come to—the inadequacy of the time that the House is being given to debate the matter.

Kevin Brennan: Is not my right hon. Friend's point completely proved by the motion itself, in that the Government chose 5.30 pm as the time for the debate to end when the moment of interruption for a Thursday, voted for by this House, is 6 o'clock? Votes should take place after 6 o'clock on a Thursday, not before. That shows that the Government are not providing enough time.

Hilary Benn: I agree completely with my hon. Friend. That raises this question: what are the Government worried about in that extra half hour? The truth is that they do not want to listen to any more arguments. Given the problems that they have faced over their handling of tuition fees and their broken promises, that is not surprising. However, it is outrageous—I use that word deliberately—that the Government propose to allow the House of Commons only a few hours to discuss and consider the most fundamental change to student support and the funding of higher education that we have ever seen in this country. It is also breathtakingly disrespectful.

For proof of that, we need only to consider the fact that the debate on this business motion can continue until any hour. In other words, the Government are prepared to spend more time debating the allocation of time than they are prepared to give the House of Commons actually to debate, discuss and vote on their proposals.

Thomas Docherty (Dunfermline and West Fife) (Lab): My right hon. Friend might wish to know that I have been informed that the Government Chief Whip has told the dining room not to bother to put on any extra food tonight, because this debate will be over in an hour's time.

Hilary Benn: I do not presume to comment on the powers of the Chief Whip to see the future, except to say that clearly, in view of the problems we had on Monday evening, his powers are not all they are cracked up to be. The truth, as you will know, Mr Speaker, is that the debate will go on for as long as it takes—it depends on how many right hon. and hon. Members seek to catch your eye.

John Robertson (Glasgow North West) (Lab): Further to the point that my right hon. Friend makes, the Leader of the House said that he is "using the procedures". What does my right hon. Friend think the Leader of the House meant by that?

Hilary Benn: To be honest, I have no idea what the Leader of the House was talking about. It is for him to explain his words. The truth is that the procedure that the Government are proposing to use to give the House time to discuss their proposals is completely inadequate.

Angela Smith (Penistone and Stocksbridge) (Lab): Tomorrow, 45,000 students will visit London to make their views known. Does my right hon. Friend agree that giving the House only five hours of debate is an insult to them?

Hilary Benn: I agree with my hon. Friend. It shows what the Government think of all those students that they propose to give so little time to debate this matter.

Robert Flello (Stoke-on-Trent South) (Lab): Does my right hon. Friend agree that not only 45,000 or 50,000 students will be coming down tomorrow? Their parents and grandparents—

Chris Ruane (Vale of Clwyd) (Lab): And great-grandparents!

Robert Flello: Indeed—in some cases the great-grandparents will be here, along with siblings, nieces and nephews, because hundreds of thousands of people object to the Government's disgraceful behaviour.

Hilary Benn: If great-grandparents are concerned, we must be talking about very young students indeed, but my hon. Friend makes a forceful point about the large number of people in this country who are profoundly concerned about the proposals that we are being asked to debate tomorrow. I am sure that they will share the concern that we are expressing at the lack of time that we are being given.

Steve McCabe (Birmingham, Selly Oak) (Lab): Was it not terribly unfair of the Leader of the House to imply that last week's Opposition debate revealed that there was ample time? Had he looked at that debate, he would have seen that far more people wanted to make a contribution than the time allowed. He is now making it impossible for hon. Members to represent their constituents.

Hilary Benn: That is absolutely right, and I am sure that we will have the same problem tomorrow if the motion is passed.

Mr David Lammy (Tottenham) (Lab): Does my right hon. Friend agree that in 2004, when the House had before it a seven-part Bill, containing 15,000 words, 50 clauses and seven schedules, there were many, many hours for debate? Given that the Government's proposals are more profound—they introduce a market, which we have never had before in higher education, and the withdrawal of teaching—should we not have more time? Should our democracy not have more time to debate those changes?

Hilary Benn: My right hon. Friend makes a powerful point, and I shall remind the House later in my speech about the time that it had on previous occasions to discuss legislation to do with student support.

Mr David Winnick (Walsall North) (Lab): Is it not important that we have more time to illustrate the importance of the issue, support for which, as has already been pointed out, is not confined to students? We are proud of those students who are marching and demonstrating, but in tonight's *Evening Standard* reference is made to a 105-year-old person who has sent a letter to the Deputy Prime Minister to say that she wants to march with her 72-year-old daughter but is unable to do so because she is blind. Does not that illustrate that up and down the country adults are supporting the students because they know that the students are right?

Hilary Benn: Indeed they are. I could not have put it more eloquently than my hon. Friend.

Paul Farrelly: Does my right hon. Friend agree that there could not be a greater contrast between the way in which the coalition Government are handling this and the way in which the Labour Government handled it seven years ago, no matter on what side of the argument one stands? Then the 105-page White Paper was published a whole year before the debate and the changes were introduced only after a general election, so the British public had the opportunity to vote on them.

Hilary Benn: My hon. Friend anticipates the very point that I will come to a little later in my speech.

Roberta Blackman-Woods (City of Durham) (Lab): Does my right hon. Friend agree that these are wide-ranging proposals that will completely restructure our university system and that five hours is simply not enough time to discuss these issues? Does this not also show that the opposition are running scared of a proper debate on this issue?

Hilary Benn: My hon. Friend of course refers to those Liberal Democrats who will vote against these proposals—but not enough will vote against them as far as the country is concerned.

Emma Reynolds (Wolverhampton North East) (Lab): Last week in business questions, the Leader of the House said that on Wednesday next week there would be a Second Reading of "a Bill", demonstrating some indecision on the part of the Government. Does my right hon. Friend agree that that shows that the excuse that the Leader of the House has just given to Members from Scotland and Northern Ireland about avoiding a Thursday is paltry, because the Government could have scheduled the debate for Wednesday next week?

Hilary Benn: They could indeed have done so, but responsibility for that rests with the Leader of the House.

Alison Seabeck (Plymouth, Moor View) (Lab): Does my right hon. Friend agree that, given that students from Plymouth and the south-west have a 10-hour round trip to come up to London tomorrow, they deserve more than five hours for an explanation from the Liberal Democrats of why a pledge to the electorate is worth less than a pledge to the Conservative party in the coalition agreement?

Hilary Benn: They do indeed, and—given the inclement weather conditions—those students will probably spend more time travelling than they will having the chance to listen to the House of Commons debating the motion.

There are three principal reasons—to do with time—why the House should vote down this motion. The first is the importance and the consequence of the decision on tuition fees. When one compares the time allocated to the House when previous changes were proposed—and they were much less extensive changes to student support and the funding of higher education than those that will be before us tomorrow—we can see just how inadequate the time that is being offered is. The second reason is the fact, referred to in a point of order earlier, that this debate and vote are being arranged before the promised White Paper on higher education is published and when a whole series of fundamental questions remain about how the new world that the Minister for Universities and Science and the Secretary of State for Business, Innovation and Skills propose will actually work. I shall come to some of those questions later.

Nadhim Zahawi (Stratford-on-Avon) (Con): The shadow Leader of the House waxes eloquent tonight. Would it not be more credible to be honest with the House and say that stopping free education is not a smaller issue than the one we will debate tomorrow? That is what his Government did.

Hilary Benn: I apologise to the hon. Gentleman and to you, Mr Speaker, but I am afraid I had some difficultly understanding the point he was seeking to make. He clearly had the same difficulty himself. I will happily give way again if he wants to have another go.

Nadhim Zahawi: Absolutely. *[Interruption.]*

Mr Speaker: Order. I want to hear the thoughts of Mr Zahawi.

Nadhim Zahawi: The shadow Leader has just told the House that what we are debating tomorrow is of greater consequence than the reneged promise that his Government delivered upon, which abolished free education altogether. That is a wrong thing to tell the House. Will he explain himself?

Hilary Benn: I am afraid that the hon. Gentleman is in urgent need of a history lesson because I do not recognise what he is describing. There is a profound difference. *[Interruption.]*

Mr Speaker: Order. We cannot have great eruptions of noise any time a Member chooses, for whatever reason, to leave the Chamber. Members will want to listen to Mr Hilary Benn.

Hilary Benn: The point is this: there is a profound difference between the previous system, which was a way of raising additional finance for our universities, and the enormous reduction in funding for our universities that this increase in fees is based upon. That is why it is completely different.

Emily Thornberry (Islington South and Finsbury) (Lab): Does my right hon. Friend agree that five hours is hardly enough time for the Liberal Democrats to explain their four different positions?

Hilary Benn: My hon. Friend is, of course, absolutely right. She anticipates a point I will make later. Of all the issues facing the House at the moment, it is clear that on this issue—for the reasons she has just pointed out—lots and lots of time will be required, so that Members can explain their positions. In the case of the Liberal Democrats, four different positions, at the last count, will have to be explained. There is huge public interest in the matter and, in the light of that, the time proposed is wholly inadequate.

I want to quote what Lord Browne had to say in his foreword to the report, "Securing a Sustainable Future for Higher Education," which runs to 64 pages. Lord Browne wrote—*[Interruption.]* Hon. Members will see in a moment. I quote:

"In November 2009, I was asked to lead an independent Panel to review the funding of higher education and make recommendations to ensure that teaching"—

Charlie Elphicke (Dover) (Con): On a point of order, Mr Speaker, the right hon. Gentleman's remarks do not refer to the timings or business of the House.

Mr Speaker: I am very grateful to the hon. Gentleman for his point of order. I am keenly attending to the debate, but I know that he—very distinguished man though he is—would not try to tell me how to do my job.

Hilary Benn: Lord Browne went on to state:

"Over the last year, we have consulted widely and intensively. Our recommendations are based on written and oral evidence drawn from students, teachers, academics, employers and regulators. We have looked...at every aspect of implementing them – financial, practical and educational – to ensure that the recommendations we are making are realistic for the long term."

The most important words in that quotation are these:

"Over the last year, we have consulted widely and intensively."

[Interruption.]

Mr Speaker: Order. I am trying to listen intently to what the shadow Leader of the House is saying, but the hubbub is too great. It is calming down now and we will hear the shadow Leader.

Hilary Benn: As I said, the quote from Lord Browne is:

"Over the last year, we have consulted widely and intensively."

[Interruption.] If hon. Members will be patient, they will see what this has got to do with the business motion before us tonight. Let us compare the length of time that Lord Browne took in preparing his proposals to what is before the House tonight. The Browne committee had a year to consider what it recommended; the House is to be given five hours to consider the recommendations and dispose of them. Everybody else was consulted at length, but MPs are to be given just five hours to express a view.

Mr George Howarth (Knowsley) (Lab): I wonder whether my right hon. Friend can help me. I have been pondering whether any measure of comparable controversy has ever gone through this House with so little debate and in such a short space of time. Can he help me? Is there any example of that?

Hilary Benn: In preparing for the debate this evening, I, too, asked myself that, and I struggled to think of another example of when the House had so little time to consider something so profound.

Nobody can be under any misapprehension about the scale of the change that is being proposed. Lord Browne said:

"What we recommend is a radical departure from the existing way in which HEIs"—

higher education institutions—

"are financed...Our recommendations will lead to a significant change".

The plain truth is that the Browne report, which is radical and significant in its implications, has not even been debated in the House yet. Since the report was published, on 12 October 2010, there has been one urgent question, when the Secretary of State was forced to come to the House and explain what was going on, and one ministerial statement, on 3 November. However, there has been no debate at all on the Browne report in Government time—none.

Pete Wishart *rose—*

Kevin Brennan: On a point of order, Mr Speaker. The hon. Member for Taunton Deane (Mr Browne) seems to be turning into the hon. Member for Taunting. Is there anything that can be done to allow us to listen to the debate, rather than to his ranting?

Mr Speaker: I had been watching and listening closely, and I was conscious—I was about to comment on the fact—that a rather animated and protracted exchange seemed to be taking place between the hon. Member for Wansbeck (Ian Lavery) and the Minister of State, Foreign and Commonwealth Office. Whether some sort of private salon was taking place I do not know, but it must not do so. We must listen to the debate, so no taunting should take place at all. Let us listen to Mr Hilary Benn.

Hilary Benn: I think I was in the process of giving way to the hon. Member for Perth and North Perthshire (Pete Wishart).

Pete Wishart: Perhaps the right hon. Gentleman can take this opportunity to remind the House how many hours the Labour party made available to debate tuition fees on the Floor of the House when the previous Government attempted to hike them up.

Hilary Benn: I will gladly do that. If the hon. Gentleman is patient, I shall come to that point in a moment.

Huw Irranca-Davies (Ogmore) (Lab): Let me point out to my right hon. Friend that there is indeed a precedent for curtailing debate, and that is where a great deal of consensus exists across the Chamber. Perhaps he can illuminate for me whether there has been some magic movement on the Government Benches in the past few hours, and whether Government Members now agree with us—and with Wales and Scotland—because then we can indeed have a shortened debate.

Hilary Benn: It would be very nice if that were the case, but I fear that on this occasion the amount of time that the Government want to allocate is in inverse proportion to the consensus. That is the difficulty that we have. The truth is that if the Government could get away with it, they would much prefer the House of Commons not to debate and discuss the proposal at all, so that they could try to get it through on the nod. I can think of no other change in student support that has been put before the House with so little scrutiny or debate.

Penny Mordaunt (Portsmouth North) (Con): I have to say that I find it deeply ironic that so many Members opposite are now raising concerns about the amount of time for debate. I remember that when I was president of Reading university students' union and was raising concerns with the National Union of Students about the value for money of our affiliation fees, many Members opposite would set the fire alarms off.

Hilary Benn: I can be held responsible for many things, but I am afraid that the use of fire alarms at the university of Reading is not one of them. *[Interruption.]*

Mr Speaker: Order. There are people chuntering from a sedentary position and urging the hon. Member for Portsmouth North (Penny Mordaunt) to name the people who set off the fire alarms. That would be entirely disorderly and we are not going to have it.

Clive Efford (Eltham) (Lab): On a point of order, Mr Speaker. You are ahead of me, because I was given the impression that the culprits were present tonight. If that were the case, I was going to ask you to give them the opportunity to stand up and own up to that heinous crime.

Mr Speaker: I think that I will consider that to be a point of humour, because it certainly was not a point of order.

Kevin Brennan: Further to that point of order, Mr Speaker. When I was at university, the ones letting off the fire extinguishers were in the Bullingdon club.

Mr Speaker: I am grateful to the hon. Gentleman. I do not know about fire alarms, but people are certainly letting off steam. They have now done so, and we must return to the important subject of the debate on this relatively narrow motion.

Hilary Benn *rose—*

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Further to that point of order, Mr Speaker. Sadly, I did not go to university, but during my time in the fire service, setting off fire alarms was considered to be a very irresponsible act.

Mr Speaker: We are all grateful to have the benefit of the hon. Gentleman's experience, and for that recitation of his curriculum vitae, but we must now return to the debate.

Hilary Benn: Thank you very much, Mr Speaker.

The sense of outrage that is certainly felt on this side of the Chamber is of course shared by those on the Liberal Democrat Benches. The hon. Member for Leeds North West (Greg Mulholland) is not in his place tonight, but he has tabled an early-day motion, which many Members have signed, that makes an eloquent plea for more time.

Fiona O'Donnell (East Lothian) (Lab): Can my right hon. Friend seek some reassurance? Should a fire alarm be set off during the debate tomorrow, would the debate be extended?

Hilary Benn: I do not think that that is the kind of injury time that the Standing Orders would cover. I am beginning to think that my time at university was somewhat sheltered in comparison to the revelations being made on the Floor of the House this evening. The hon. Member for Leeds North West is making the point that he does not think there has been enough time. He thinks that the proposal should be put to one side so that it can be properly considered.

Thomas Docherty (Dunfermline and West Fife) (Lab): Earlier, the Leader of the House made the claim—I think it was simply a mistake on his part, rather than a deliberate attempt to mislead the House—that Members on this side of the House had had the opportunity to table amendments to the proceedings. Given that the motion was not taken last night, and appeared on the Order Paper only this morning, am I right in thinking that there has been no opportunity for us to table amendments?

Hilary Benn: What happened last night was certainly extremely unusual, and the Leader of the House did not seek to enlighten us this evening as to why the Government pulled the plug on their own proposal. Perhaps he anticipated the debate that we were going to have this evening, and the opposition to the motion that was going to be expressed on this side of the Chamber.

Mr Clive Betts (Sheffield South East) (Lab): I am sure that my right hon. Friend really wants to help the Leader of the House to find some additional time, so I refer back to the point made by my hon. Friend the Member for Wolverhampton North East (Emma Reynolds). We were given an indication last week that an unspecified Bill was going to come before the House next Wednesday. The rumour is that it is the long-awaited and much-heralded localism Bill. There is a further rumour, however, that the Secretary of State for Communities and Local Government is more enthusiastic about that Bill than some of his Cabinet colleagues. If that is the case, can my right hon. Friend give us any more information about whether the Bill has been lost in the fog of Whitehall, and whether there might after all be time to debate this business next Wednesday?

Hilary Benn *rose—*

Mr Speaker: Order. That is at the very least extremely tangential to the matter that we are supposed to be discussing, and I know that the shadow Leader of the House would not for one moment seek to dilate on the subject of the localism Bill. I know that he is going to proceed with his speech in an orderly way.

Hilary Benn: Thank you very much, Mr Speaker. As far as the identity of that Bill is concerned, I was going to observe only that it is a mystery. No doubt all will be revealed to us in due course.

Gavin Shuker (Luton South) (Lab/Co-op): As one of the new Members of this House, I am uniquely placed to offer my experience of student debt, as one of the people in the House who still carries such a debt. How many people are likely to be able to speak in a five-hour debate? Newer Members are more likely to be carrying student debt, and they would like to offer their own perspectives on the matter.

Hilary Benn: My hon. Friend makes a powerful case for us to have more time, precisely so that the experiences of all Members can be brought to bear on this important question, which will affect future generations of students.

Mr Tom Harris (Glasgow South) (Lab): The fundamental issue at stake here is that there are genuine arguments for and against tuition fees and for and against the level at which the Government want to set them. I accept that there are arguments on both sides. It is not only Members who should have an opportunity to debate the details that genuinely concern us all; the public have the right to see their legislators spending a decent amount of time doing so. This is not a partisan point. On an issue as important as this, why must we restrict the time for debate? Why can we not have, purely and simply, more time to debate an issue that Members of all parties and the public are both fascinated and worried by?

Hilary Benn: It seems to me that my hon. Friend makes a powerful case. I would gladly give way to the Leader of the House for an explanation. He did not explain in his speech why so little time has been allocated, so perhaps he would like to explain that now. No, he is not inclined to take that—*[Interruption.]* Oh, well.

Sir George Young: If the amount of time allocated for this debate is insufficient, why did the right hon. Gentleman not draw the House's attention to it last Thursday? When I announced today's debate on exactly these regulations, he said nothing at all.

Hilary Benn: It has been very clear for a long time that Labour Members want adequate time to debate this. The way to deal with it is to consider the proposal before us; we will vote against it tonight because inadequate time has been allotted.

Charlie Elphicke: Is it not the case that the shadow Minister failed to spot this last Thursday, failed to move an amendment and has been asleep at the wheel?

Hilary Benn: No, I do not accept that. The hon. Gentleman will discover how awake we are on this side when he has to troop through the Lobby to try to vote in favour of this wholly inadequate allocation of time. The really telling comparison is between how this change is being dealt with and how the two previous changes were dealt with. That is why I shall move on to deal with points raised by Members of all parties about how these matters were handled in the past.

The National Committee of Inquiry into Higher Education, the Dearing review, was set up in May 1996 by the last Conservative Government. It deliberated for 15 months and published its report "Higher education in the learning society" in July 1997. There was then a Government statement and a White Paper "Higher Education in the 21st Century", followed by the publication of the Teaching and Higher Education Bill. That became an Act in 1998 having been debated at proper length. Six hours were allotted to Second Reading alone—an hour more than we are to be allocated tomorrow. There were seven Committee sittings and two days on Report. There is the first comparison.

The second comparison is with the Higher Education Act 2004, which the orders that we will discuss tomorrow are designed to amend. It, too, had six hours on Second Reading—an hour more than we will get tomorrow—and there were 15 sittings in Committee, plus a Report stage.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Are not the proposed changes as significant as the Robbins report and the transformation of universities during the second half of the 20th century? To put through the marketisation of our entire university structure within five hours is absolutely shameful.

Hilary Benn: I completely agree with my hon. Friend, who makes an extremely powerful point.

Dr Alan Whitehead (Southampton, Test) (Lab): My right hon. Friend refers to the orders under the previous legislation, which had to be debated by both Houses on the affirmative basis, following a review, before any decision could be made on future levels of tuition fees. The Leader of the House has suggested that the reason for this debate is entirely encapsulated in that particular piece of legislation. Incidentally, I was involved in assisting with the drafting at the time, so I remember it well. Does my right hon. Friend accept that the intention behind the drafting of those clauses at the time was wholly different from what is being put forward this evening, in terms of what should come up first for discussion, what evidence should be placed before Members to debate before any decision is taken, and when any decision should be taken according to the two resolutions?

Hilary Benn: My hon. Friend is absolutely right. The usual order is that we have a committee of inquiry; the Government make a statement; they publish a White Paper, then a Bill; the Bill is considered and then regulations are made. In this case, the process has been reversed. We are being asked to approve the statutory instruments tomorrow in just five hours, before we even know the framework for the future of higher education, because the White Paper will not be published, we are told, until the new year. The cart has truly been put before the horse.

Albert Owen (Ynys Môn) (Lab): As my right hon. Friend knows, I have been consistently against tuition fees, and voted against them the last time they were debated in the House of Commons. More importantly, I have signed a pledge with the students union that I will not vote for them to be raised, and I will honour that pledge. Surely we need the kind of debate that we had previously for a Second Reading, so that all those Liberal Democrats who will be breaking their pledge will have the opportunity to explain to students across the country why they are doing so.

Hilary Benn: My hon. Friend is entirely right. It will be interesting to see how many Liberal Democrats wish to participate in the debate tomorrow.

Alison McGovern (Wirral South) (Lab): My right hon. Friend has explained the normal Bill process, but is he aware that, as a new MP, I have not seen my postbag filled on any other issue as it has been with concerns about tuition fees? I am concerned to raise those points, so that people in Wirral can have their voice heard. Is he aware of the level of concern in Wirral?

Hilary Benn: I am grateful to my hon. Friend for drawing that to my attention. No Member can be unaware of the huge concern expressed through our postbags, emails and other means, about the nature of the proposals.

Mark Tami (Alyn and Deeside) (Lab): Is my right hon. Friend aware that the media have reported tonight that, despite the Deputy Prime Minister saying that all Lib Dem Ministers will support the proposals, two of them will not be present for the vote? Apparently, however, it is all right, because they will be paired—

Mr Speaker: Order. The trouble with that intervention is that it has nothing to do with the allocation of time. The hon. Gentleman has put his point on the record, and he was very cheeky.

Hilary Benn: The point made by my hon. Friend the Member for Alyn and Deeside (Mark Tami) may have something to do with the length of time that it would take some of those Ministers to return to cast their vote.

Mr Chuka Umunna (Streatham) (Lab): Has my right hon. Friend noticed, as I have, the large number of Liberal Democrat Members who are prevaricating and indicating that they may abstain on the issue? Is there not a danger that abstention could be perceived as voting for the motion? Is that not a good argument for extending the time for debate, so that they can come to a decision?

Hilary Benn: That is a powerful point. Last week, I observed that, throughout the ages, Liberal Democrats who have been faced with a tough decision have sat on the fence. I suspect that we will see that tomorrow.

Angela Smith: Is it not the case that the proposals before the House tomorrow radically redraw the relationship between the state and the individual? Are they not predicated on an 80% reduction in funding for teaching? Is it not appalling that an SI should be used for such a radical shift in Government policy?

Hilary Benn: It certainly is. The 80% reduction is implicit in the statutory instruments that we will consider tomorrow, and it is the cause of those statutory instruments, but we will not have a proper opportunity to debate that.

Emily Thornberry: What is a member of the public switching on the Parliament channel to make of this? We could spend more time tonight debating how much time we should be allocated than we will spend debating the proposals tomorrow. How ironic is that? By making petty points about how we should have tabled an amendment here or there to extend the time, Government Members show how out of touch they are. Mothers watching television tonight, desperately worried about their children's future, will feel that we should be ashamed. Why do we not spend tonight debating this matter, and tomorrow as well?

Hilary Benn: I agree with my hon. Friend, but the answer lies in the hands of the Leader of the House, who has shown a willingness tonight to devote more time to debating the allocation of time than he is prepared to give to debating the proposals themselves.

Mr Jim Cunningham (Coventry South) (Lab): Some of us have universities in our constituencies, and many students will be coming down here tomorrow. It is no wonder that students are adopting an angry attitude in the streets when they find out we will have only five hours for the debate. When the Government were in opposition, they used to complain about our guillotines, and we always gave way on time. I am surprised that the Leader of the House, who is usually a reasonable man, has taken us down this road.

Hilary Benn: I agree. I have a great deal of respect for the Leader of the House, but I must say that I do not think he has done his job properly on this occasion.

Grahame M. Morris (Easington) (Lab): Will we have an opportunity, in such a limited time, to raise issues that constituents have raised with us, particularly the withdrawal of funds in July next year from the excellent Aimhigher programme, which will pull up the ladder of opportunity? *[Interruption.]* Perhaps the hon. Member for Tipton, who is shouting derisory comments—[HON. MEMBERS: "Taunton."] I mean the hon. Member for Taunton Deane (Mr Browne), but perhaps he will be tipped on tomorrow. Anyway, given the limited time allotted to tomorrow's debate, I do not believe that we will have an opportunity to raise valid concerns, such as the fact that children from disadvantaged backgrounds such as those in the area that I represent will be disadvantaged further.

Hilary Benn: My hon. Friend has made a powerful point. Judging by the attendance in the Chamber tonight, and because so little time has been allotted, I fear that there will not be time for all the Members who will want to participate in tomorrow's debate to have a chance to express their views to the House.

Naomi Long (Belfast East) (Alliance): Although on the face of it the issue at stake is tuition fees in England, the proposal will have profound effects on students from Northern Ireland—and, indeed, those in Northern Ireland. Given the restricted time that we will have in which to debate it, it is unlikely that those of us who represent those students will be able to make our case fully tomorrow. Does the right hon. Gentleman agree that it would be wise to allow us to do so, in the light of the profound implications both for students from Northern Ireland and for those who study there?

Hilary Benn: I agree. The proposal does indeed have profound ramifications and implications for students not only in England but in other parts of the United Kingdom, which is why we need more time.

Huw Irranca-Davies: In view of the anomalies that the Bill will throw up west of Offa's dyke, north of Hadrian's wall and so on, does my right hon. Friend think that there will be enough time for us to deal with the subject of the potential migration flows as students and their families—who know that there have always been cross-border issues over health—suddenly realise that there will also be cross-border issues over tuition fees, and that whereas Scotland and Wales are doing the right thing, the tripling of tuition fees will be rammed down the throats of students in England because of the unholy alliance on the Government Benches?

Hilary Benn: My hon. Friend has made a powerful point, which I am sure that he and other Members will seek to put to the Minister tomorrow. As he says, time is

required for us to be able to consider all the ramifications of the proposals, and the plain fact is that we are not being given enough time to do that.

Geraint Davies (Swansea West) (Lab/Co-op): Does my right hon. Friend agree that members of all generations up and down the land will think that giving the House five hours in which to discuss the denial of access of whole generations, from whole communities, to the higher education that could change the life chances of millions of people is a complete disgrace? Should we not hasten the electrification of the railway line to Wales, so that people can have a proper opportunity to benefit from higher education?

Hilary Benn: I think that you would rule me out of order if I commented on the electrification of the railway line to Wales, Mr Speaker.

Robert Halfon (Harlow) (Con): On a point of order, Mr Speaker. Would you kindly give the House—and me, as a new Member—guidance on how many important debates were curtailed to five hours by the last Government, so that we can introduce some balance to this evening's debate?

Mr Speaker: The short answer is that if the question is of interest to the hon. Gentleman, he can always undertake the necessary research. I am afraid that it is not the responsibility of the Chair to provide the answer to it tonight.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I believe that I heard a Labour Member refer to a Member on the Government Benches as "the hon. Member for Tipton". Just in case there is any confusion among my electors, may I make it clear that I represent the beautiful town of Tipton, and that I will be supporting my right hon. Friend the Member for Leeds Central (Hilary Benn) and the Opposition tomorrow?

Hilary Benn: I am sure my hon. Friend's constituents will be very glad to have heard that clarification.

Mr Lammy: Is my right hon. Friend aware that just as this House is being denied a full debate, the Minister responsible for universities, who is on the Front Bench now, has been invited to sit-ins at the London School of Economics and the School of Oriental and African Studies but has not attended? Is it my right hon. Friend's expectation that the Minister will go and talk to the students who will be gathering in this House and outside before the debate and after it tomorrow—

Mr Speaker: Order. That may be a point of interest to the right hon. Gentleman, but it is somewhat wide of the terms of the motion. Mr Hilary Benn.

Hilary Benn: Thank you, Mr Speaker. I think that the very least the architect of the policy could do, particularly in view of the pledge he signed before the election, is go and talk to students and explain why he has changed his mind.

Kerry McCarthy (Bristol East) (Lab): Many Members have tonight mentioned the fact that constituents of theirs—students and potential students—will be coming down tomorrow to lobby their MPs. Is my right hon. Friend aware that under the "#" tag "name and shame" on Twitter there is a growing list of names of MPs from the Conservative and Liberal Democrat parties who have refused to meet the students coming down tomorrow? I suspect they are refusing to meet them tomorrow because they will be too busy attending tomorrow's debate. Does that not suggest that we ought to postpone tomorrow's debate so that they have time to meet their constituents who are coming down tomorrow?

Mr Speaker: Order. There is mounting evidence that Members are referring to matters outside the Chamber as a not very subtle ruse to try to get their point across in the House, but unfortunately they are then almost always outwith the terms of the motion. We have had a few examples of that, but I hope we will not have any more. Mr Hilary Benn.

Hilary Benn: Thank you, Mr Speaker.

Vernon Coaker (Gedling) (Lab): Will my right hon. Friend give way?

Hilary Benn: Yes, I will.

Vernon Coaker: As my right hon. Friend knows, thousands of students from places throughout the country, including Nottingham, will be arriving in London tomorrow. As we shall debate this issue for only five hours, which I think most of those students and their families will find simply incredible, has my right hon. Friend had any discussions with the Leader of the House about informing all those students how this House arrived at that five-hour limit? Have any special arrangements been made to inform them about the decision that has been made to curtail the debate, so that they are properly informed?

Hilary Benn: I had hoped that in moving the motion this evening the Leader of the House would have enlightened us on that very point, but I am afraid no elucidation at all was offered as to the amount of time given to us.

I want to come on to one of the problems that we may face tomorrow. Although what is on offer now—

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Will my right hon. Friend give way? I have an important point to make.

Hilary Benn: I will.

Mr McCann: I have a specific point I want to make about time. In three minutes' time, constituents in the frozen Lanarkshire district, which includes my constituency, will be donning several layers of clothing and getting their ice picks and shovels out to dig their way out of their homes, so that they can meet up at their selected departure points and travel down for tomorrow's debate. They will be leaving Lanarkshire on the M74 at about 9 pm—if they get there in time, given the horrendous weather conditions. They will be travelling overnight to get here, and they will arrive to find that, having spent over 21 hours getting here and knowing that they are going to face the same journey back, this subject will be debated for only five hours. Does my right hon. Friend agree that that is an outrage to our democracy?

Mr Speaker: Order. I am grateful to the hon. Gentleman, to whom I listened courteously, but there must be no further dilation on the subject of the motorway network. I do not think that that will aid our debate. I know that the shadow Leader of the House will respond to the hon. Gentleman's point briefly, and then develop his further arguments.

Hilary Benn: I agree with my hon. Friend. It is an outrage, as I indicated earlier.

I wanted to say something about the amount of time that we may actually get tomorrow to debate this subject. Although the five hours that we have been offered is a 30-minute improvement on the previous period allocated, it is not absolutely guaranteed. That is because although the Leader of the House has just told us that the Government do not intend to make any statements tomorrow, it is possible that some matter may arise. You, Mr Speaker, may receive a request for an urgent question, and if that is granted we would lose time, as we will if Government Back Benchers suddenly decide they want to raise numerous lengthy points of order. If either of those eventualities arose, the British public and Members of the House would be denied even the paltry five hours being offered by the Leader of the House.

Fiona Mactaggart (Slough) (Lab): We have all noted the restraint that the Speaker has exercised as people have strayed beyond the terms of this motion. But does he not share the concern that my constituents, and I believe his, will feel when they see the House debating what they see as a technical matter and not debating what they wish us to debate, which is the principle of whether education should be the business of the state or a purely private matter, which it will become as a result of the debate tomorrow?

Hilary Benn: My hon. Friend makes a powerful point; indeed, she anticipates something that I am going to refer to a little later in my speech. It is about the nature of the debate that we may find that we are allowed, or not allowed, to have because we will be debating a statutory instrument rather the White Paper, which has not been published.

Ms Karen Buck (Westminster North) (Lab): Many of the students who have been in touch with me recently have expressed their concern about the fact that the withdrawal of the state from education is directed particularly at people studying the arts, social sciences and related subjects. Does my right hon. Friend believe that there will be time tomorrow to discuss not only the impact of tuition fees, but the very nature of the kind of higher education that we as a society want to value?

Hilary Benn: My hon. Friend makes a powerful point. To answer her very direct question, I fear that we will not have enough time to examine that, and many other aspects.

Mr Andy Slaughter (Hammersmith) (Lab): Notwithstanding the fact that the Deputy Prime Minister has just said on Channel 4 that his conscience is clear—so he would presumably like to debate this subject at length—does my right hon. Friend agree that the reason why this debate is being curtailed is to protect the Liberal Democrats? The clue to that lies in what Chris Davies MEP says in his blog:

> "Splits weaken parties, and sometimes destroy them. The reputation of the Liberal Democrat brand is being undermined with each passing hour as the impression grows stronger that on the issue of tuition fees we are not only divided but clueless...In short, we are creating the impression not just of being weak, but of being a joke."

We should share that joke with this House, if we had sufficient time to debate this issue properly.

Hilary Benn: The point that my hon. Friend has just made illustrates clearly why we need more time tomorrow to examine the position of the Liberal Democrats, in all their splendour.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): Is there not a wider and more profound issue at stake here? It relates to legislation, or changes in the law, that are railroaded through this House without adequate time for debate, and what happens when the public outside do not believe that this House has been doing its job properly and scrutinising those changes in the law. When such legislation—the classic example of which was the poll tax—is carried, it will never command the support of the public and the public will never believe that it is being instituted for the right reasons. Are the Government not in real danger of repeating the disaster of the poll tax with this ill-conceived, railroaded piece of legislation on tuition fees?

Hilary Benn: My right hon. Friend speaks with unique authority and force on that subject. He is giving the House a very clear warning, because if people do not feel that the House of Commons—their elected representatives—has been given adequate time to debate this very profound change, they will be even more angry than they are already.

Nic Dakin (Scunthorpe) (Lab): I was the principal of a sixth-form college until recently, and I have spent my lifetime working with young people—16 to 19-year-olds. The message being given to young people about how decisions about their future are made in this House disturbs me. What does it say if we cannot give the right amount of time to this, and cannot give them the right message that this really matters, that we care about them—and care enough to share our views in full fashion, over as much time as it takes to make the right decision?

Hilary Benn: My hon. Friend makes a good point: the House would be setting a very bad example to young people if it were to pass the motion tonight.

Clive Efford: Does my right hon. Friend agree that one reason why it is dangerous for Back Benchers on both sides of the House, and particularly on the Government side, to allow the Executive to truncate debate or the consideration of a Bill is that it limits the scope of Back Benchers to influence Front Benchers? He will recall that when we were setting the cap that we will discuss in the debate tomorrow—the debate—which we are now debating, it was Labour Back Benchers who threatened not to support their Government, and made them set it lower. We are not hearing anything of that sort from those on the Government Benches tonight. If the desire is there to make a change, it is up to Government Back Benchers, especially Liberal Democrat MPs.

Hilary Benn: My hon. Friend is absolutely right. Tomorrow the eyes of the House will be on Liberal Democrat Members in particular. Everybody knows that how they choose to vote will determine whether this proposal goes through or not.

Clive Efford: And whether they make that change.

Hilary Benn: Indeed. Back Benchers have the opportunity tonight to decide whether the motion will be passed. That is why I hope that as many as possible will join us in the Lobby to vote it down.

Kevin Brennan: On a point of order, Mr Speaker. As the Leader of the House has ignored the moment of interruption in his motion, by setting 5.30 as the time for the end of the debate tomorrow, is there any procedure by which a manuscript amendment could be tabled during the course of this debate, to extend tomorrow's debate up until the normal moment of interruption, when any debate on a Thursday should end?

Mr Speaker: The short answer to the hon. Gentleman is that it is open to any Member to table a manuscript amendment. Whether the amendment is selected is a matter for the Chair. The Chair would consider a manuscript amendment if and when it were submitted. That is the situation.

Hilary Benn: I am sure that the House is extremely grateful for that guidance, Mr Speaker.

Hazel Blears (Salford and Eccles) (Lab): I am grateful to my right hon. Friend for giving way. Does he agree that one of the greatest achievements in recent years has been extending participation to young people from disadvantaged communities? Salford university takes 45% of its students from the local area, and that includes many young people who otherwise would not have the chance to go to university. Does my right hon. Friend agree that the curtailment of the debate tomorrow will mean that the voices of those particularly disadvantaged young people will not be heard?

Hilary Benn: That is the case. With five hours, there will be an opportunity for only a relatively small number of Members to participate in the debate. The number of Members who have sought to intervene in this debate tonight is a pretty good indication of the number who will want to speak tomorrow.

Richard Fuller (Bedford) (Con): I am new to this House, Madam Deputy Speaker, and it is therefore difficult for me to differentiate between posturing and principle, but I think I am getting a lesson in it tonight from the right hon. Gentleman. The idea of debate is not only to make one's own point but to listen. Too frequently in debates, right hon. and hon. Members make their points and then leave the Chamber. Will the shadow Leader of the House assure us that the Opposition speakers in tomorrow's debate will be in their places for the entire five hours of the debate? Or will there be a lot of popping in and then popping out when they have made their posturing points?

Madam Deputy Speaker (Dawn Primarolo): Order. Even interventions must be relevant to the debate that we are having this evening. The subject of who will attend tomorrow is not a matter for Mr Benn.

Hilary Benn: Thank you, Madam Deputy Speaker. The point was indeed irrelevant and, I think, inconsequential.

Robert Flello: I am grateful yet again to my right hon. Friend for giving way, and for the generosity that he has shown in doing so. I am following his speech with great interest. I look forward to taking part in the debate tomorrow, if I should catch the eye of Mr Speaker or of one of the Deputy Speakers—and, indeed, if there is time. Does my right hon. Friend wish to comment, however, given the short amount of time that will be available, on how much time—should I be able to catch the eye of the occupant of the Chair and make my point, along with other colleagues—the occupants of the Government Front Bench will have to respond to the points made by Opposition Members? How will the Government be able to answer the points that we raise, given that there is such a short time for the debate?

Hilary Benn: My hon. Friend makes a powerful point. The large number of matters that Members will undoubtedly wish to raise tomorrow will only add to the pressure on time, if Ministers are even to begin to attempt to answer them all.

Emma Reynolds: I thank my right hon. Friend for giving way. I agree entirely with my right hon. Friend the Member for Salford and Eccles (Hazel Blears), who expressed the concern that she has many potentially disadvantaged students in her constituency; I do too, and I should like to have the time to represent their concerns tomorrow. Does my right hon. Friend agree that the Leader of the House was disingenuous in suggesting that we had sufficient time—

Madam Deputy Speaker: Order. I do not think that the hon. Lady should accuse the Leader of the House of being disingenuous. I am sure she would like to rephrase that.

Emma Reynolds: I apologise to the Leader of the House. He said only moments ago that we had sufficient time to debate these issues in the Opposition day debate, but does my right hon. Friend agree that, as the Government made a statement on that day, tomorrow will be the second time they have tried to curtail the time allowed to debate this issue?

Hilary Benn: That is indeed the case. The Leader of the House's idea of sufficient time is not our idea of sufficient time.

Mr Tom Harris: In my right hon. Friend's considered opinion, what would have been the chances of the Deputy Leader of the House supporting this programme motion had it been moved by a Labour Government? Should not this Damascene conversion to the value of the programme motion at least be counted in the top-10 Liberal Democrat U-turns of 2010?

Hilary Benn: There are many U-turns fighting to get into that top-10 list, but my hon. Friend makes a good point. Had the roles been reversed, the Deputy Leader of the House would have been fulminating from the Dispatch Box about how outrageous it was. He could have the opportunity to do so now, but I see that he simply wants to remain in his place.

[Hilary Benn]

I should like to make a suggestion about how we could guarantee even the inadequate amount of time given so far. We have just had very helpful guidance from the Speaker about making manuscript amendments, and the Leader of the House could amend his own motion to ensure that there would be injury time if an urgent question were to be granted or if extensive time were taken up with points of order. I know that the right hon. Gentleman is not a fan of injury time and I suspect that is because the coalition Government are not terribly keen on having a full and open debate on the matter in hand.

There is another reason why more time is required. The measures we are being asked to vote on tomorrow cannot be described as the original proposals of Lord Browne. That is why my earlier quotation was relevant. When Lord Browne produced his report, he said that his proposals had to be considered together, but we now know that the Government's plans differ from those of Lord Browne. That is very pertinent to the argument about why more time is required, especially when one bears in mind that the Government have had no debate in their own time on Lord Browne's proposals.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): Further to the point that my hon. Friend the Member for Eltham (Clive Efford) made, would not a greater amount of time and a longer process allow Back Benchers on both sides and the official Opposition to make alternative proposals so that at the end of the process there would be much greater consensus, as there was in 2004?

Hilary Benn: That is indeed the case. Hon. Members are being denied that opportunity because the Government have chosen to put the cart before the horse.

Roberta Blackman-Woods: Does my right hon. Friend share my frustration that the Deputy Prime Minister came to my constituency the day before the election to reinforce his pledge not to raise tuition fees, but that because of the lack of time tomorrow I will not have the opportunity to challenge Liberal Democrat Members on why they are breaking that pledge?

John Robertson: On a point of order, Madam Deputy Speaker. There seems to be a lot of chuntering from a Government Whip, making remarks about my hon. Friend the Member for City of Durham (Roberta Blackman-Woods). Is that in order, and is he allowed to do it?

Madam Deputy Speaker: I did not hear any remarks myself, and there is quite a lot of noise in the Chamber, which makes it difficult for all Members of the House to hear. It would be best at this time if we could proceed. I am grateful to the hon. Gentleman for drawing this matter to my attention, but I do not think that it is a point of order.

Hilary Benn: Thank you very much indeed, Madam Deputy Speaker. I was about to give way—

Robert Flello: Further to that point of order, Madam Deputy Speaker. Will you please clarify something for me? Are Government Whips entitled to take part in debate? My understanding is that they are not. If they are not entitled to take part in debate, why is that happening?

Madam Deputy Speaker: As I understand it, any Member is entitled to speak in a debate in the House. There may be conventions that are normally followed, but remarks, comments or shouting across the Chamber from a sedentary position in order to disrupt the debate are not permitted. I am sure that nobody will do that.

Hilary Benn: Thank you very much indeed, Madam Deputy Speaker. I was about to respond to the intervention made by my hon. Friend the Member for City of Durham. Yes, many people in the country have watched the video that the Deputy Prime Minister made in which he uttered the pledge. *[Interruption.]* It has to do with the time because we need to hear from Liberal Democrats—perhaps we will be lucky and hear from the Deputy Prime Minister in tomorrow's debate, but who knows?—and we need time for an explanation of what exactly happened between the making of that pledge and the U-turn that he has performed in introducing these proposals tonight.

Sheila Gilmore (Edinburgh East) (Lab): Does my right hon. Friend agree that we need more time to get the information about the various proposals that have been trailed through the press this week, which the Government suggest would justify to the House and to the public an increase in fees? Tomorrow's debate would enable that if there were time. A number of suggestions have been made—for example, on those students who might get financial assistance. Do we not need time to hear the details of that before the House is asked to vote?

Hilary Benn: We do indeed. One of the big problems that Members will face tomorrow is that we do not yet have a lot of the information, and a lot of the questions that have been asked have not yet been answered. How on earth is the House meant to make up its mind on a fundamental part of these proposals in the absence of all that?

Jim McGovern (Dundee West) (Lab): Does my right hon. Friend agree that the Liberal Democrats will never be knowingly understood? If we locked two Lib Dems in a room, we would get three political opinions coming out. Five hours is not nearly enough time to try to work out what the Lib Dems think.

Hilary Benn: I fear that even five days may leave us none the wiser as to the position of the Liberal Democrats, but we live in hope.

Huw Irranca-Davies: On a point of order, Madam Deputy Speaker. Pursuant to the point of order made by my hon. Friend the Member for Cardiff West (Kevin Brennan), may I ask you to explain the tabling of a manuscript amendment? There are many new Members here in the House, and people will be watching and listening to the proceedings. Not everyone will be familiar with the tabling of a manuscript amendment, so it would be of great benefit to the House to know how difficult or how simple it is.

Madam Deputy Speaker: I am grateful for that point of order, but rather than take up time in the debate I suggest that any Member who needs clarification on how to table a manuscript amendment should go to the Clerk to ask for guidance. Perhaps we can return to the debate.

Kevin Brennan: Further to that point of order, Madam Deputy Speaker. May I also recommend "Erskine May", which is lying on the Table and explains fully how to lay manuscript amendments—

Madam Deputy Speaker: Thank you—*[Interruption.]* Thank you very much, Mr Brennan. I am eternally grateful. I would like us to focus now on the debate.

Hilary Benn: I happen to have a copy of "Erskine May" and am very happy to lend it to my hon. Friend, as long as he gives it back to me, because I intend to quote from it a little later.

Thomas Docherty: I think I heard the Leader of the House correctly when he appeared to indicate earlier that the Government Front Bench might be prepared to restrict the amount of time they take when opening tomorrow's debate. The concern that many Opposition Members will have, however, is not only that the Business Secretary will not have time to use his fancy footwork to explain exactly how he has made such a U-turn, but that Opposition Members will not have the opportunity to tease out of the Government exactly what their policies mean. It is simply unacceptable to use that substitute in order to avoid difficult questions.

Hilary Benn: My hon. Friend is, indeed, right. The Leader of the House could indicate now what self-denying ordinance or otherwise Ministers will adopt in order to give Members as much time as possible for debate. There is a fundamental problem, however, because Ministers want to say a lot on the matter, and they should rightly have that opportunity, but Members want to raise a lot of points, too, and we cannot fit it all into the five hours for which the motion provides.

Emily Thornberry: On the issue of time, and for the 10,000 students who live in halls of residence and attend university in my constituency, I should like to put it on the record that I sat all the way through the previous Opposition day debate, hoping to be called, and would very much like to be called tomorrow.

Hilary Benn: I am sure that the occupant of the Chair will have noticed that advance bid, but I fear that tomorrow many Members will end up disappointed because not enough time has been allocated for the debate.

Paul Farrelly: Is my right hon. Friend aware of all the details of the business due to come forth tomorrow? Can he satisfy himself that we will actually get five hours and not fewer?

Hilary Benn: That is the point I advanced a moment ago, because whether we get the full five hours depends very much on what happens before the debate. I fear that we might not, which shows just how inadequate the motion is.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): My right hon. Friend will recall that before the election the then Opposition objected very strongly to non-English MPs voting on matters such as tuition fees. Has he had any indication or representation from the Government on whether they still hold the same position?

Hilary Benn: I am afraid I cannot give my hon. Friend any guidance on that at all. Perhaps a Minister on the Treasury Bench would like to answer his question. I would very happily give way if they wanted to inform the House.

Mrs Madeleine Moon (Bridgend) (Lab): Perhaps one reason why there is no objection to Welsh and Scottish Back Benchers debating the issue is that we in Wales, through the Assembly Government, have not only ensured that students do not suffer the draconian decrease in university course funding, but very importantly decided to cut the teaching grant not by 80%, but by only a very small 38%, improving Welsh universities and providing opportunities at them for higher degrees and research.

Hilary Benn: My hon. Friend makes a very powerful point about why we need the time to debate at length the impact that the change will have.

Steve McCabe: On a point of order, Madam Deputy Speaker. The clock in the Chamber is not working properly. Is that another device to con us out of more hours for debate?

Madam Deputy Speaker: The clock seems to me to be working fine. If the hon. Gentleman has a problem, perhaps he will come to the Chair. I am sure that Members are riveted by the debate and time will fly by.

Hilary Benn: I am grateful to my hon. Friend for drawing my attention to that clock. I fancied that I had been speaking for slightly longer than four minutes, but who knows?

Huw Irranca-Davies: Time is indeed flying. I think that I have worked out how we will have enough time. My hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) said earlier that if all hon. Members were to speak, we would have roughly 50 seconds each. From the showing tonight, there is no indication that Government Members want to take part in the debate. We will therefore have about one and a half or two minutes each. Does my right hon. Friend consider two minutes to be adequate to reflect the postbags of Opposition Members?

Hilary Benn: It is completely inadequate. We have, however, found a solution for tomorrow, because if we could ensure that that is the clock by which the debate is timed, all right hon. and hon. Members might have the opportunity to participate.

Mr Tom Harris: Further to the points of order made earlier by my hon. Friend the Member for Cardiff West (Kevin Brennan) and my hon. Friend the Member for Ogmore (Huw Irranca-Davies), Madam Deputy Speaker. If the Chair were to accept a manuscript amendment, how much time would be allocated to debating that change, and would that time be added on to the time that we already have for tomorrow's debate?

Madam Deputy Speaker: That is a hypothetical question. We should wait to see whether there is a manuscript amendment, and for Mr Speaker's subsequent decision.

Kerry McCarthy: On a point of order, Madam Deputy Speaker. I wonder whether it is in order for you to reveal to the House how many people have applied to speak tomorrow? That is pertinent to how long we need for tomorrow's debate.

Madam Deputy Speaker: That would not be in order. I therefore suggest that we return to Mr Hilary Benn's comments from the Dispatch Box.

Hilary Benn: Thank you very much, Madam Deputy Speaker.

Kevin Brennan: On a point of order, Madam Deputy Speaker. Will you clarify—this point is pertinent and not hypothetical—whether a manuscript amendment that is tabled tonight will be discussed tonight or tomorrow?

Madam Deputy Speaker: If a manuscript amendment were tabled and it was selected for tonight's debate, it would be debated tonight. As one has not been tabled, the hon. Gentleman is still asking a hypothetical question.

Hilary Benn: A moment ago, I was pointing out that the proposals that the Government have decided to adopt are different from those made by Lord. He said that student numbers should rise by 10% over the next three years, that there should be clawback to deter unnecessarily high fees and that there should be the right to go to university, determined by academic qualifications. We need more time to discuss the report, precisely because the Government have not adopted all his recommendations. We have not had a chance to debate that matter.

Mr William Bain (Glasgow North East) (Lab): Is it my right hon. Friend's view that five hours is enough time to address the points that have been put to me by staff and students at the university of Glasgow, which is in the constituency of my hon. Friend the Member for Glasgow North (Ann McKechin)? Indeed, I believe that the Secretary of State for Business, Innovation and Skills was a lecturer at that institution some years ago. I am not sure that he would get a very warm welcome if he went there tomorrow. The staff and students put important points to me, such as the cut of £400 million in the Scottish block grant, the increase in the number of EU students and the hugely damaging effects that there will be on social mobility for a generation of Scottish students. Does my right hon. Friend think that five hours is enough time to discuss those important points?

Hilary Benn: Undoubtedly, it is not enough time. My hon. Friend makes an extremely powerful point.

Julie Hilling (Bolton West) (Lab): Will my right hon. Friend enlighten me on whether we will discuss student bursaries in tomorrow's debate? I believe that should be the subject of its own debate and not be crammed into the five hours that we will have tomorrow. If bursaries are paid for by universities, universities that draw from the poorest people in the population, such as the university of Bolton, will be badly disadvantaged. There will be no similar effect on universities such as Oxford and Cambridge.

Madam Deputy Speaker: Order. Whether that would be in order is a matter for the Chair. Mr Benn is addressing today's debate, so perhaps we can get on with it.

Hilary Benn *rose—*

Gavin Shuker: Will my right hon. Friend give way?

Hilary Benn: I will respond to the point made by my hon. Friend the Member for Bolton West (Julie Hilling) before I take any further interventions. She raises precisely the type of matter that needs to be explored properly and fully in the debate tomorrow. The fact that we will have inadequate time means that we run the risk of its not being addressed.

Mr Slaughter *rose—*

Hilary Benn: I give way to my hon. Friend.

Angela Smith: On a point of order, Madam Deputy Speaker. As most of us do not have the benefit of having the time to look at "Erskine May" during the debate, may I ask for your guidance on whether a manuscript amendment would have any impact on any attempt by the Government to move the closure of the debate?

Madam Deputy Speaker: I have already explained to Members that if they want specific advice on the tabling or effects of a manuscript amendment, they should speak to the Clerks. Then they will get the answers to their questions about how such an amendment may or may not affect the debate.

Hilary Benn: I was about to give way to my hon. Friend the Member for Hammersmith (Mr Slaughter).

Mr Slaughter: As the debate goes on, does it not become obvious how grotesquely short five hours is? It took the Liberal Democrats an hour and a half in Committee Room 11 yesterday to narrow down their voting options to four. It will take five hours for the Secretary of State for Business, Innovation and Skills to explain the different positions that he has taken in interviews over the past week. My constituents want us to get on to the real issue, which will not happen in a five-hour debate.

Hilary Benn: It certainly will not.

Paul Farrelly: Is my right hon. Friend aware that there are now only 21 hours, give or take a minute, from now until the moment of interruption tomorrow? Depending on how long the debate goes on tonight, Members may need some time to recover so that they are in full possession of their wits for tomorrow's debate. Would it not be better to delay tomorrow's debate until next week at least?

Hilary Benn: A very powerful case has been made this evening for providing more time, and given where we are now, the only way in which more time could be provided would indeed be for the matter to be put off until another occasion.

Nadhim Zahawi *rose—*

Hilary Benn: The hon. Gentleman is going to have another go.

Nadhim Zahawi: Does the right hon. Gentleman agree that ending the debate tomorrow at 5.30 pm will provide ample time for the Leader of the Opposition to join the protestors outside?

Hilary Benn: The Leader of the Opposition needs no lectures from the hon. Gentleman about talking to students and, more importantly, listening to what students have to say—a problem from which Members on the Government Benches are suffering.

Kerry McCarthy (Bristol East) (Lab): I happen to have in my hand a piece of paper that has miraculously appeared. According to the Speaker's office, 26 Labour Members have so far applied to speak tomorrow and, we are told, a lot more from the Government side of the House have done so too. Is that not a clear indication that five hours will not be enough time for people to have their say?

Hilary Benn *rose—*

Jim Sheridan: On a point of order, Madam Deputy Speaker. Following on from the comment of the hon. Member for Stratford-on-Avon (Nadhim Zahawi), tomorrow thousands of students will be coming to the capital of the UK from all over the country, wishing to get access to their MPs, because many MPs have temporary notices up in their constituency offices. Can you assure us that those responsible students who come to the House tomorrow seeking access to their MPs will be given access, and that those MPs will be notified that people are looking for them?

Madam Deputy Speaker: I am assured that proper arrangements will be made, as always on these occasions, by the Speaker and the House authorities.

Hilary Benn: I am not in the least bit surprised that so many Members have put in to participate in the debate tomorrow. The information that my hon. Friend the Member for Bristol East (Kerry McCarthy) has just given the House demonstrates the complete inadequacy of the time that we are being offered, because it is very hard to see how all those Members will be able to participate in the debate.

Robert Flello: I am extremely grateful to my right hon. Friend for his continued generosity and his superb speech. Will he give some thought to the fact that we are expecting unprecedented levels of security tomorrow in and around the Palace of Westminster? Right hon. and hon. Members may have difficulty getting to the Chamber to take part in the debate, and some Members who have a burning desire to be here to represent their constituents might take considerable time to get here. Five hours therefore might not be adequate.

Hilary Benn: It is very important that Members of whatever party have full and ready access to the House, particularly tomorrow, given the importance of the subject of the debate and the significance of the vote that we will cast—if the business motion is passed—at about 5.30 pm tomorrow.

Mr McCann: My constituents will be making their way down for tomorrow's debate from the frozen north, but may I draw my right hon. Friend's attention to an article in *The Daily Telegraph* last Thursday on the constitutional implications of having such vastly different tuition fee arrangements in the different parts of the UK, and the difficulties that that will create? Does he think that five hours is enough to discuss those issues?

Hilary Benn: Undoubtedly, that is not enough time. If the number of Members who have already indicated that they want to speak is anything to go by, they could have, depending on the length of speeches by Front Benchers, about four minutes each or even less. How can any Member advance a reasonable argument in that inadequate amount of time?

Geraint Davies (Swansea West) (Lab/Co-op): My right hon. Friend will know that the Government's proposals will deter poorer students from going to university, but allow less able students from public schools to do so because of their financial means. Does he agree that Government Members who have not-very-able children in public schools should declare an interest? Will there be time in five hours to make all those declarations of interest?

Hilary Benn: I am not sure that the current Register of Members' Financial Interests extends that far. Hon. Members will want to make a lot of points in tomorrow's debate. Indeed, as this evening progresses, we will hear from other hon. Members who will want to speak tomorrow. That reinforces the point that the Leader of the House has now perhaps taken on board: namely, that it would have been much more sensible to have given us enough time to debate the proposals than to debate the problems tonight.

Gavin Shuker: My hon. Friend the Member for Bristol East (Kerry McCarthy) advanced the point that 26 Labour Members have placed a note with Mr Speaker, but it occurs to me that that may not reflect the true number of those who want to speak in that five-hour period. Both Government and Opposition Members may want to indicate their wish to speak tomorrow as we discuss the provision of time tonight.

Hilary Benn: Indeed—that may well be the case. As the evening wears on and as the sense of anger grows among Opposition Members at the inadequacy of the time, more Members will probably be encouraged to go to Mr Speaker's office to indicate that they wish to take part in tomorrow's debate.

Owen Smith (Pontypridd) (Lab): Is it not instructive and illustrative that we will have just five hours tomorrow to debate the Government's proposals? Does that not tell us, as we heard from the Leader of the Opposition today, just how extraordinarily out of touch the Government are with ordinary working people in this country? The measures will be a strong disincentive to those people to go to our universities. That is why the debate deserves far more than five hours. It is not us who deserves more than five hours, but those students.

Hilary Benn: I could not put it better myself.

Several hon. Members *rose*

Hilary Benn: I shall make a little progress and give way later.

The Government of the day would normally have published a White Paper before asking us to vote on such proposals. I have inquired at the Vote Office, but it does not have a White Paper, because the Business, Innovation and Skills Secretary has not yet published one. On reflection, that is quite extraordinary. We will be asked in a few hours—less than 21 hours—to take a decision that will pre-empt the whole of the Government's policy on higher education without our having a chance to find out what that is. It is interesting that the explanatory memorandum that accompanies the Higher Education (Basic Amount) (England) Regulations 2010 states:

"The Regulations raising the basic and higher amounts are the first elements in the reform package to be presented for Parliamentary approval. Without prejudice to their subsequent proper Parliamentary consideration, the Government believes it is appropriate to refer in this Memorandum to the other elements of the funding and finance package in the context of which the new basic and higher amounts are made."

These are not the first elements: these statutory instruments are the consequences of other decisions that the Government have already made.

Tristram Hunt: Is not that very much the point, because what we face tomorrow is a bridgehead for an extraordinary revolution in higher education on which we deserve a full debate about the consequences? Five and a half hours will not begin to do justice to the issue.

Hilary Benn: It certainly will not, which is why we need more time.

Pete Wishart: The right hon. Gentleman has now been speaking for an hour and a half. Does he feel like stopping? As we have only five and a half hours tomorrow, will he promise not to make another speech like this one?

Hilary Benn: That is a trifle ungenerous, because I am trying to assist the House so that it will have enough time tomorrow to debate this.

Paragraph 8.1 of the explanatory memorandum on the consultation outcome is germane, because it states:

"These Regulations are informed by Lord Browne's review which took evidence from students, teachers, academics, employers and regulators over a period of almost a year. The need to provide clarity for students and universities about the contributions they can expect to make and receive means that the timetable for laying the Regulations has been highly compressed, and this has prevented a separate external consultation exercise on the Government's proposals."

Highly compressed? It is more like "cut and run", because that is what we are dealing with tonight.

Stella Creasy (Walthamstow) (Lab/Co-op): May I just put on record how important it is for me that this motion is opposed and we have proper time to debate? Like my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), I put my name down for the Opposition day debate on higher education as a result of the hundreds of families in Walthamstow who have contacted me because they are deeply concerned about the increases in tuition fees. I am serving on the Public Bill Committee considering the National Insurance Contributions Bill tomorrow and so will not be able to participate during the meagre five-hour debate. If we do not have proper time to debate this issue, I fear that I will not be able to raise the concerns of the people of Walthamstow, so I hope that my right hon. Friend is successful.

Hilary Benn: I am grateful for my hon. Friend's support. I am sure that her constituents, like those of other hon. Members, would wish their representative to have the opportunity to participate in the debate tomorrow.

Chris Williamson (Derby North) (Lab): My right hon. Friend may not be aware that the number of Labour Members wishing to speak in the debate tomorrow has now swelled to at least 28. I am one of those Members who sought to speak in the debate last week, but I was unable to catch Mr Speaker's eye because of the lack of time. In view of the importance that my constituents place on this issue, does my right hon. Friend agree that allocating only five hours is totally inadequate to allow me and my right hon. and hon. Friends an opportunity to articulate the concerns of our constituents so that they feel that their views are adequately taken into account?

Hilary Benn: I certainly do. I hope that the force and the number of interventions that I have taken this evening will have some impact on Government Front Benchers and, even at this late stage, they will think again about the time that they have allocated.

Steve McCabe: I am another of those who have been denied the opportunity to represent their constituents by the Leader of the House. Should it not be abundantly clear to him now that his motion does not reflect the mood of the House? Will not the watching public suspect that a fix has been attempted because the Government cannot defend the policy that they are about to impose on young people?

Hilary Benn: My hon. Friend makes a powerful point. The number and strength of the interventions that we have heard this evening are for a specific purpose—to try to win for this House enough time to debate this issue. The fact is that the number of Members who are in their places, especially on the Opposition Benches, is a sign of the anger and outrage that is felt about the amount of time that has been allocated. It is in the Government's hands to bring this particular debate to an end by saying that they will go away and think again. I hope that the Minister will do so.

Joan Walley (Stoke-on-Trent North) (Lab): Many constituents have contacted me because they want me, as their MP, to put forward their views about the future of higher education. Given that so many hon. Members will want to speak in tomorrow's debate and will not be able to do so, is not such a compression bringing Parliament into disrepute? If the people of this country cannot have their Members of Parliament raising their concerns on an issue of such importance, there are much wider implications.

Hilary Benn: I agree with my hon. Friend. People look to the House of Commons to speak for them and they look to us as Members to represent their views. They want us to consider in appropriate depth and with adequate care the proposals that come before us. The number of people who are concerned about what we will be asked to consider tomorrow should find expression in the number of voices that are heard in this Chamber. We will be denied that opportunity because of the inadequacy of the time that is being offered.

Kevin Brennan: Is my right hon. Friend aware that journalists in the Committee corridor last night were reporting that the Lib Dems had as much time as they liked in their meeting and could speak for as long as they wanted on the matter without any timetabling of it in private? However, in public and in this Chamber, they are seeking to limit the debate to a mere five hours. Is that not a very telling point?

Hilary Benn: It is. If such an approach is good enough for Liberal Democrats in private, it ought to be good enough for the House of Commons in public. We are the voice of the nation.

Nic Dakin: My right hon. Friend is being most generous tonight in giving way. The fact that the Government are not listening to people's voices—we are hearing about that and reflecting that in our contributions tonight—and want to constrain a debate to just five hours or less completely flies in the face of the new politics that the country asked for and the fresh approach that it welcomed.

Hilary Benn: It certainly does. As my hon. Friend says, there is a serious issue here. If the public do not think that we have properly considered the matter, it will not build their trust and confidence in Parliament, and it certainly will not build their trust and confidence in the Government—it will damage it.

Mr Slaughter: Does my right hon. Friend know that the Deputy Prime Minister is now on Sky News saying that he would love to get rid of university tuition fees, but that he lives in an imperfect world? He says that he hopes that tuition fees will go in the future and blames the Labour party for not supporting him in the past. Does my right hon. Friend agree that the Labour party would be happy to vote with him tomorrow against the motion? Should the Deputy Prime Minister not be—

Mrs Anne Main (St Albans) (Con): On a point of order, Madam Deputy Speaker. I have listened very patiently to this entire debate. I seek your guidance on whether we can hear repeated any more outbursts on what is happening in corridors and on Sky News, which has nothing to do with the timetabling of the debate.

Madam Deputy Speaker (Dawn Primarolo): I am sure that the hon. Lady appreciates that I am following the debate very closely. If contributions are not in order, I will say so.

Hilary Benn: The Deputy Prime Minister will have to explain his imperfections and I hope very much that he will participate in tomorrow's debate, because many hon. Members will want to intervene on him.

Mr Slaughter: I am sorry that the hon. Member for St Albans (Mrs Main) had the discourtesy to interrupt me in that way. The point I wished to make is that it is a discourtesy to the House for the Deputy Prime Minister to be on television doing a mea culpa and trying pathetically to justify himself, rather than being here and explaining why we have only five hours to debate the matter.

Hilary Benn: Indeed. Given the number of things that the Deputy Prime Minister has had to say about the tuition fee increase that he intends to vote for tomorrow, the very least he could do is to come into the debate. I hope that he might be able to participate, because many people would like to hear how he explains the change in attitude—the 180° turn—that he has performed in a very short space of time.

Paul Farrelly: Does my right hon. Friend agree that the ground keeps shifting from day to day? The coalition Government have now admitted that deterrence because of debt is an issue, and they have announced a national scholarship fund. Does he consider five hours to be sufficient time in which to debate all the details of the proposals and to examine whether the Government are, in effect, just making policy up on the hoof?

Hilary Benn: It is clearly not sufficient time to debate those matters, which brings me to the second reason why more time needs to be found, which is the nature of the change that the Government wish to make. The proposals on fees that we are being asked to consider tomorrow cannot really be seen in isolation from the wider Browne proposals or the Government's spending review. The truth is that they are intimately bound up, one with another, which is why the House needs proper time to consider both. As we know, the huge fee increase is a result of the Government's decision in the spending review to impose on universities not the average cut that they have been applying—a cut of 11%—but an unprecedented 80% reduction in university teaching budgets.

Diana Johnson (Kingston upon Hull North) (Lab): Does my right hon. Friend consider five hours to be enough time in which to debate the £50 million that I understand will come out of the economy in Hull, owing to the changes that will be introduced tomorrow afternoon if the proposal goes through? My constituency, which is a disadvantaged community, relies heavily on the university of Hull. I am concerned that five hours will be insufficient to debate fully the impact on the local economy in my constituency.

Hilary Benn: I share my hon. Friend's frustration, because one of the things that we need time to debate tomorrow is the consequence of the fee increase, which is the result of the 80% reduction. What will that mean for some universities? That is a perfectly legitimate question that Members may wish to ask tomorrow.

Charlie Elphicke: In the spirit of assisting the House, let me point out that the right hon. Gentleman has been on his feet for an hour and a half. That is fine, but I invite him to consider allowing Back Benchers to make speeches as well.

Hilary Benn: Because of the generosity of the Leader of the House, who has said that debate can continue until any hour, there will be plenty of time for Back Benchers to contribute to this debate.

Several hon. Members *rose*

Hilary Benn: And judging by the number of Members who wish to intervene, this is probably just a prelude to the speeches that they will make.

Barbara Keeley (Worsley and Eccles South) (Lab) *rose*

Clive Efford: On a point of order, Madam Deputy Speaker. I hope that you were listening intently to the intervention from the hon. Member for Dover (Charlie Elphicke), who called for more time to allow Back Benchers to participate in this debate.

Madam Deputy Speaker: That is not a point of order. I am sure that everybody heard exactly what the hon. Member for Dover (Charlie Elphicke) said.

Mr Tom Harris: On a point of order, Madam Deputy Speaker. Two amendments have now been submitted—the first from my hon. Friend the Member for Cardiff West (Kevin Brennan), asking for the debate to be continued until 6 o'clock tomorrow, and the second from me, in an attempt to be popular with my Scottish colleagues, asking for the debate to be continued until 10 o'clock tomorrow evening. Can you tell the House when Mr Speaker will make a decision on whether those amendments will be accepted and say how that decision will be communicated to the House?

Madam Deputy Speaker: The hon. Gentleman is quite right: Mr Speaker will make a decision on those manuscript amendments in due course, and I am sure that he will ensure that the House knows when he has decided. I call Mr Hilary Benn.

Hilary Benn: Thank you, Madam Deputy Speaker. I was giving way to my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley).

Barbara Keeley: My right hon. Friend has been very generous in giving way this evening. Let me touch on the point that he made about the impact on universities. We have already heard a little about Salford university this evening, and about how many local young people attend it. Indeed, there are two Salford graduates on the Labour Benches listening to this debate, and we are very concerned indeed about the possibility of our course—politics and contemporary history, which we both did at Salford university—disappearing. Will there be time in five hours to consider not just the future of social science courses such as the politics and contemporary history course at Salford—which was an excellent course, as I am sure my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) will agree—but the future of this House? Where are the future Labour and other candidates going to come from if these politics and contemporary history courses disappear?

Hilary Benn: The importance and the power of a university education is indeed to give people the chance to understand where we come from. If we do not understand where we come from, it is difficult to work out where we should be going.

Tristram Hunt *rose*

Hilary Benn: Speaking of an understanding of history, I shall gladly give way to my hon. Friend.

Robert Flello: Further to the previous point of order, Madam Deputy Speaker. Two manuscript amendments have been tabled and are currently with Mr Speaker. Is there a way for the House to convey to Mr Speaker just how strongly we feel that the suggestion of continuing the debate until 10 o'clock would be the better of the two?

Madam Deputy Speaker: No. Mr Tristram Hunt was about to make an intervention.

Tristram Hunt: As a new Member of the House, I am finding the speech by my right hon. Friend the Member for Leeds Central (Hilary Benn) a complete tour de force. We are learning a great deal from him tonight, and it would ill behove him to rush. On the broader point of the time limit for tomorrow's debate, is he aware of the numerous protestations that I have received from academics, students and postgraduates in the humanities community, who are worried not only about the situation facing history and modern politics but about what could happen to classics, divinity, theology, social anthropology, archaeology, anthropology and many other subjects? We could not possibly deal with all those concerns in five hours.

Madam Deputy Speaker: Thank you.

Hilary Benn: I bow to my hon. Friend's expertise in these matters. He illustrates the point that many people are interested in all those subjects, as well as others that he did not have the opportunity to mention. They want us to have the chance to debate these matters tomorrow.

Mr Bain: Is my right hon. Friend aware that, since he began his speech, it has been reported that the Secretary of State for Energy and Climate Change might not be in the House tomorrow to attend the debate or to vote? Does not that reinforce the argument that five hours will not give him enough time to explain whether he is abstaining or simply hiding in Cancun?

Hilary Benn: I have followed with interest the various reports of the movements and non-movements of the Climate Change Secretary who, in fairness, is doing very important work in Cancun because we need a global climate deal. Having seen some of the newspaper reports that we should have offered him a pair, however, it seems to me that the easiest thing would be for him to pair with one of his colleagues who is going to vote on the other side. There is no need for him to come to seek our assistance.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): Does my right hon. Friend recall the debates on the national minimum wage, when we sat up all night because the Conservatives were determined to oppose the proposals and fought them every inch of the way? Does he agree that we should be equally willing to fight this legislation, and that we should stay up all night if necessary?

Hilary Benn: The determination of Opposition Members to do everything we can to ensure that we get a proper amount of time to debate the issues and the chance to vote the proposals down is evident. My hon. Friend makes a powerful point.

Ian Paisley (North Antrim) (DUP) *rose*

Hilary Benn: I shall give way to the hon. Gentleman.

Emily Thornberry: On a point of order, Madam Deputy Speaker. Perhaps you can help me on this point. Is the reason that we can have only a five-hour debate tomorrow the fact that the Secretary of State for Business, Innovation and Skills, finds it difficult to stay awake? I can see him sleeping on the Front Bench

Madam Deputy Speaker: That is absolutely not a point of order.

Ian Paisley: I thank the right hon. Gentleman for giving way. As he will know, these measures will also have a considerable impact on the devolved region of Northern Ireland. One in every three students from Northern Ireland attends a university here in England, and if the Government push through a change in the legislation, the Assembly in Northern Ireland will have to pick up the tab for the increase in fees for those who study outside Northern Ireland. The figures indicate that, on top of the current spend of about £90 million on students travelling from Northern Ireland to the rest of the United Kingdom, an increase of between £30 million and £60 million will have to be found to cover the fee increase. Where is that money going to be found, given that the Government are already asking the Assembly to cut back in other areas? We do not

Mr Speaker: Order. First, my strong impression is that the hon. Gentleman's intervention is beyond the scope of the debate. Secondly, it is longer than is desirable or acceptable. Interventions need to be shorter from now on.

Hilary Benn: I wish I could help the hon. Gentleman by answering his question, but I cannot. One of the people who could help him is sitting on the Government Bench, but I do not know whether he will want to intervene on me to give the hon. Gentleman the information he seeks. This provides another powerful reason to have more time tomorrow to answer the hon. Gentleman's question and many other questions that right hon. and hon. Members will want to ask.

I shall make a little more progress. One issue that the House will need more time to debate tomorrow is the potential financial consequence of the fee increase, which is presaged on an 80% reduction in funding for institutions that right hon. and hon. Members have the honour to represent in their constituencies. We still do not know for certain by how much each university is going to be affected by the introduction of the near-trebling of fees, particularly when universities are also going to be affected by other changes. For example, we know that the regional development agencies are being abolished, that the funds for regional development, some of which have been used in partnership with institutions of higher education, are being reduced and that the local economic partnerships have not been properly established in many places because of the state of chaos. Universities do not know how much they might have to find in the current financial year, never mind the impact that these tuition fee changes will have. This could affect students this year and in subsequent years as the transition from the current to the new system is managed. These are all questions that we need time to debate.

Yasmin Qureshi (Bolton South East) (Lab): My right hon. Friend is discussing fees, and the university in my constituency of Bolton South East is one of 20 widening participation universities. As a result of the Browne review and tuition fee changes, it is expected that those 20 universities will collapse and will be unable to carry on serving the needs of the most vulnerable students in our society. Is five hours enough time to discuss the fate of the 20 universities that are likely to collapse?

Hilary Benn: My hon. Friend makes a very powerful point—one that I am addressing at the moment: the potential financial impact of these changes on a number of universities. That is precisely one of the points that we need to debate tomorrow, but we have been denied sufficient time to do so on the current arrangements.

Chris Williamson: My right hon. Friend has been extremely generous in giving way this evening and I am very grateful to him for his kindness in giving way to me on this occasion. Does he agree that restricting the debate to five hours will give scant time for me to raise the concerns that I know exist in Derby in respect of Derby university? It has been calculated that, as a result of the 80% reduction to which he referred, that university will have a financial black hole of about £30 million. It will find it extremely difficult to increase tuition fees to the level that would be necessary

Mr Speaker: Order. First, there is the issue of scope. Secondly, I know that the hon. Gentleman, who is a very well-behaved man, would not seek to make a speech when he is supposed to be making an intervention. *[Interruption.]* Order. He has registered his point, to which I know the shadow Leader of the House will want to respond.

Hilary Benn: Thank you, Mr Speaker. I believe that my hon. Friend should have the opportunity tomorrow precisely to put that question to the Secretary of State for Business, Innovation and Skills.

Angela Smith: I thank my right hon. Friend for giving way; he is being very generous with his time. Sheffield Hallam university could lose about £70 million because of this decision. Is it not imperative that Members such as my hon. Friend the Member for Sheffield Central (Paul Blomfield) and myself make a contribution tomorrow, especially given that the Deputy Prime Minister has refused to meet the local student union to discuss the matter?

Hilary Benn: I am surprised and concerned to hear that news. It seems from what my hon. Friend says that the right hon. Gentleman is willing to spend more time in the television studios describing the changing positions of his party than he is prepared to spend talking to students who are going to feel the consequences of what he is proposing

I turn to a difficulty that might arise for all Members tomorrow, because all we are discussing—I say "all" in a contextual sense—is two statutory instruments. Here I seek guidance from the Leader of the House and possibly from you, Mr Speaker. The House will be aware of the rules governing the scope of debate on statutory instruments. A little while ago, I promised that I would quote from "Erskine May", and page 681 states:

[Hilary Benn]

"Debate on any statutory instrument, whether subject to the affirmative or the negative procedure, is confined to the contents of the instrument, and discussion of alternative methods of achieving its object is not in order. Where the effects of an instrument are confined to a particular geographical area or areas, discussion of other areas is out of order. Nor is criticism of the provisions of the parent Act permitted."

Mr Speaker, does that mean that Members will be restricted tomorrow in what they can discuss and what they can say? Does it mean, for example, that Opposition Members who would wish to argue the case for a graduate tax cannot raise it in the debate? Could they be ruled out of order? If right hon. and hon. Members want to refer to the implications of the proposals for other parts of the United Kingdom, will they be ruled out of order? Were that to be the case, it would show how improper is the Government's decision to bring the statutory instrument before the House tomorrow. If that interpretation of "Erskine May" is applied

Mr Speaker: Order. Perhaps the right hon. Gentleman will resume his seat. I am not sure whether his inquiry was a genuine one or a rhetorical one, but he has referred to the fact of the motion and the narrow terms of the statutory instrument, and he raises the concern about how much scope there will be for Members fully to develop their points. It might help him and the House if I point out that the two—the motion and the SI tomorrow—have been conflated for the purposes of the consideration, and the intention of the Chair would be to adopt a broad and generous interpretation of what could legitimately be said in the debate. I hope that that is helpful to Members in all parts of the House.

Hilary Benn: It was a genuine inquiry, Mr Speaker, and I am extremely grateful to you for your guidance. When I read that section in "Erskine May", I was genuinely concerned that Members might be denied the opportunity to have the full debate that we require tomorrow.

Thomas Docherty: Has my right hon. Friend noticed, as I have, the silence and lack of activity from Government Members? Is it his view that they agree with us that this is a horrible stitch-up by those on the Government Front Bench, or, as Government Members have suggested, do they also wish to contribute speeches tonight? Does my right hon. Friend look forward to many of them joining us over the next few hours, as we debate this important matter?

Hilary Benn: If we do hear this evening the voices of Government Members, I hope that they might persuade the Leader of the House to change his mind about the proposal that he wants us to vote for tonight. We have no intention of doing so.

Dr Whitehead: Notwithstanding the clarification about the scope of tomorrow's debate, does my right hon. Friend accept—bearing in mind that the White Paper relating to the orders will come along later and that details of changes will follow—that if a student got the results of the exam first, then the exam paper, and finally the lecture notes, it would be a rather strange way to go about their university education?

Hilary Benn: It certainly would be, although reflecting on the scenario that my hon. Friend sets out, there might be certain advantages, especially for students who had not been applying their minds to their studies. He makes the point, however, that the Government are going about this matter in completely the wrong way.

I am sure that a large number of Members wish to take part in this evening's debate, as well as the very large number who wish to take part in the debate tomorrow. The third reason that I wish to advance for our need for more time tomorrow is the fact that, as we have already established this evening, Liberal Democrat Members of Parliament on their own could occupy the whole five hours by explaining the multiple positions that they are adopting notwithstanding the efforts of the Deputy Prime Minister.

Albert Owen: Following your helpful confirmation, Mr Speaker, that we will debate all the issues, is it not imperative for us to be given an extended period allowing us to discuss the points made by the hon. Member for North Antrim (Ian Paisley) and others about the Northern Irish, Welsh and Scottish perspectives, involving those who are domiciled in their own countries but come to England to study? Is there not a greater imperative for the time to be extended now that we are clear about the boundaries of tomorrow's debate?

Hilary Benn: It is indeed important for the time to be extended to allow full debate. We need time to hear the views of not just the Liberal Democrats who have decided to break the pledge and vote for the fees increase tomorrow, but all the Liberal Democrats who are going to abstain.

We know that the Liberal Democrats have wrestled with their consciences over the last few months, and we know that that has been difficult for them. I think that the House owes them a chance to seek to catch your eye one by one, Mr Speaker, so that they can explain why they have chosen to sit on the fence, and why they believe that that will absolve them of what they have done and clear their consciences. No doubt many Members on our side will seek to catch your eye, Mr Speaker, in order to point out that abstaining will do no good at all, because a betrayal is still a betrayal whenever it is undertaken.

Robert Flello: I look forward to catching your eye myself shortly, Mr Speaker, so that I can make my own contribution to the debate.

Does not what we have heard tonight—and what we have had to rely on as a statement from you, Mr Speaker, about the need to widen the scope of the debate—merely underline the shoddy and appalling way in which the measure is being railroaded through the House? Is this what the Deputy Prime Minister meant by "new politics"?

Hilary Benn: If it is the new politics, heaven help us all.

This is a defining moment for the coalition Government. It is the moment when the bonds of that coalition will be sorely tested. The trebling of tuition fees, the debt that will be incurred by future generations, the threat to the finances of some universities—all those will be at stake in the debate tomorrow. If that is not an argument

for the House to be given proper time in which to debate such matters. I do not know what is. The truth is that the Government have treated the House with contempt, and I urge the House to reciprocate by treating the motion with the contempt that it deserves and throwing it out.

Several hon. Members *rose—*

Mr Speaker: Order. Two hon. Members have submitted manuscript amendments which I myself saw a matter of a few minutes ago, and which, to my certain knowledge, have been submitted within the last hour or so. It is right that I give the House a verdict on the matter. I have not selected either of the amendments. There was plenty of time in which manuscript amendments could have been submitted: they could have been submitted much earlier in the day, but that did not happen.

It may also be helpful if I point out that the House is having—I emphasise the words "is having"—a very full debate on all the relevant issues relating to time. There has been, and continues to be for as long as the debate continues, a very good opportunity for Members who wish to argue for particular allocations of time to do so. That is the situation, and we must now move on.

Paul Farrelly: On a point of order, Mr Speaker. Can you tell us whether you have received any amendments to tomorrow's motion other than from the Opposition Front-Bench team, and in particular whether you have received a cross-party amendment to the motion?

Mr Speaker: I was slightly perplexed and taken aback by that attempted point of order for the simple reason that we are not discussing tomorrow's motion, and I am not going to get into the subject of amendments thereto. I was focusing simply on manuscript amendments tabled tonight by, I believe, the hon. Members for Cardiff West (Kevin Brennan) and for Glasgow South (Mr Harris). It is with that, and that alone, that I was, and am, concerned.

Duncan Hames (Chippenham) (LD): On a point of order, Mr Speaker. Can you advise us whether it is in order for Members to seek to speak in this evening's debate if they were not present for the whole of the opening two speeches?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. *[Interruption.]* Well, I do not think the hon. Gentleman is applying to make a speech, so I do not think he is caught by his own stricture. I consider it to be a general courtesy applying to all debates that if a Member wishes to speak he or she should be present for the opening speeches, and that is the basis on which I work. I hope the hon. Gentleman is content with that response.

Robert Flello: Further to that point of order, Mr Speaker.

Several hon. Members *rose—*

Mr Speaker: I will take a small number of further contributions of this kind, but I will want to get on with the substance of the matter soon.

Robert Flello: I am not sure whether you were in the Chair at the time, Mr Speaker, but earlier in the debate the issue of Members who have other business in the House was raised. I am concerned that there may well be Members who are unable to attend the opening speeches tonight or tomorrow because of other duties in this House. They may be delayed and they may therefore not be able to catch your eye, Mr Speaker.

Mr Speaker: I have a sense that that is a continuation, and perhaps even a development, of a point that was made earlier, not least by the hon. Gentleman himself, but it is not a point of order for the Chair.

Before we get on with any continuing debate, I will just emphasise that the Chair will have the very keenest regard to the closeness to the motion that Members demonstrate in their speeches. There has not yet been a Back-Bench speech, and I am happy to hear one, as they are important, but Members must stick to the terms of the motion, and I will be focusing very intently on whether that is being done, and on the economy displayed in developing the arguments.

9.47 pm

Mr Kevan Jones (North Durham) (Lab): I rise to oppose this evening's motion tabled in the name of the Leader of the House and the Minister for Universities and Science. It is interesting that it is two Conservative members of the coalition who have put their name to the motion, and that the Secretary of State for Business, Innovation and Skills, who was here earlier, has not put his name to it. Earlier on, he was sitting in his place with a face with which the funeral industry beckons because of what he had to sit through tonight.

We are here to discuss a business motion that is another example of something we have already seen this week: how the Government have attempted to restrict debate on this vital matter for many thousands of not only our constituents now but future generations. Tomorrow's debate will, in five hours, change the relationship between people and the state and how we provide higher education in this country. To do that in five hours is totally unacceptable.

Angela Smith: Does my hon. Friend agree that the House should put on record its grateful thanks to my right hon. Friend the Member for Leeds Central (Hilary Benn) for having done such a grand job in defending the rights of the House and of the people of the country in how he led tonight's debate?

Mr Jones: I would always agree with that. My right hon. Friend is a very good friend and he has done an excellent job in defending the rights of Back Benchers and the House.

Later, I will remind some Members on the Government Front Bench how eager they were in opposition to argue, on the subject of programme motions, that we needed to have more debate. That is especially true of the Deputy Leader of the House, although he is not in his place. I remember having to listen to hours of his droning on about why—

Paul Farrelly: Have you got a list?

Mr Jones: I will have later on.

Steve McCabe: Is my hon. Friend at all concerned for the well-being of the Business Secretary? If he cannot bear to sit through this debate about the time required to discuss the issues, how on earth is he going to cope with the criticism of his policy tomorrow?

Mr Jones: I do not wish to get off the subject of the debate, and my hon. Friend tempts me to do so. Clearly, Mr Speaker would rightly pull me up if I were to start talking about the health of the Business Secretary, which has no relevance to this debate. However, I must say that the Business Secretary is a very nice gentleman, so we should all be concerned about his health and the difficulty that he is clearly going through on this policy.

Mr Slaughter: Does my hon. Friend agree that it is relevant that barely 10 Liberal Democrat Members have been in throughout the debate? The latest estimate is that 100,000 students will be coming tomorrow, yet nobody on those Benches has the courtesy to listen to the debate. Five hours seems to be as long as they are prepared to give to this issue tomorrow. Is that not hugely disrespectful to all our constituents, who care about this issue?

Mr Jones: I note what my hon. Friend is saying but, again, I wish to stick to discussing this business motion. I would not want Mr Speaker to pull me up for being tempted to go down a path that would not be in order.

Kevin Brennan: My hon. Friend reminds us that we must return to the motion, so what does he think of the Government's practice of setting the time for tomorrow's debate to finish at 5.30 pm and ignoring the moment of interruption, which this House democratically voted to put at 6 pm on a Thursday?

Mr Jones: I am not sure whether my hon. Friend has got good eyesight or was reading my mind, because that was exactly the point that I was going to make next. *[Interruption.]* My hon. Friend the Member for Vale of Clwyd (Chris Ruane) says that he is "Mystic Kev", and clearly he is. An important point is at issue, because when the Leader of the House made his opening remarks he was asked why the debate was going to finish at 5.30 pm and not 6 pm tomorrow and we are still waiting for an answer. That was the point that my hon. Friend the Member for Cardiff West (Kevin Brennan) tried to tease out with his manuscript amendment. Clearly, Mr Speaker, you have ruled that that is not in order, but we have still not heard an explanation of why 5.30 pm was chosen.

We have seen a strange thing this week, because this motion allows us five hours for the debate tomorrow, yet a matter of a day ago a motion proposed that we have three hours for that debate. No explanation has been given of why two hours have suddenly been conjured up—I will allow people to intervene on this. If we can suddenly, in a day, conjure up two hours, why can we not conjure up more time, as is clearly needed for this vital debate?

Kelvin Hopkins (Luton North) (Lab): I am hoping to catch Mr Speaker's eye tomorrow in the debate and I have much that I wish to say about this very important matter. If I cut to the bone what I wish to say, I will need at least 20 minutes to do any justice to the subject. What prospect does my hon. Friend think I have of having 20 minutes in which to speak tomorrow?

Mr Jones: The point has been made that if everyone spoke, they would get about 50 seconds. I know that my hon. Friend speaks very eloquently and, on occasion, can go on at length, as we all can, but I am sure that he could get his remarks down to fit the timetable. However, the fundamental point tomorrow is that we will have five hours in which to discuss these vital points.

Thomas Docherty: I am grateful to my hon. Friend for giving way. I do not wish to rain on his argument, but he is constantly referring to the five hours allowed. He might want to check the motion. If we have an urgent question or if business questions overrun—they are always popular thanks to the charm of the Leader of the House—we will have less than five hours to discuss this issue.

Mr Jones: I am grateful to my hon. Friend for making that point. When the Leader of the House opened the debate, he gave an assurance that the Government would not make any statements tomorrow that would eat into the time. My hon. Friend makes a good point, though: issues might arise overnight to do with the weather in Scotland and other parts of the country, or to do with the demonstration tomorrow, or with something else. An urgent question might be sought and Mr Speaker might allow it. A statement might have to be brought forward. If that happens, that will eat into the five hours that we have been allocated.

Paul Farrelly: Given the number of applications to make a speech—there has been a running total throughout the debate—may I tempt my hon. Friend to inquire of Mr Speaker whether he has decided that there will be a time limit on speeches?

Mr Jones: I am sorry, but I would not dream of telling Mr Speaker how to do his job. It will be up to Mr Speaker to decide the allocation of time and who is called. Given the numbers who have expressed an interest in the debate, I think a time limit might well be introduced.

Mr Speaker: Order. Perhaps I can be helpful both to the hon. Gentleman and to the House. The time allocated for the consideration of these important matters tomorrow is specified and protected time. Any concern that the hon. Gentleman might have of the kind that he has just expressed is almost certainly unfounded. I think it would be better if he were to develop his argument on other fronts. In the process, may I gently remind him that I am having some regard to the economy of speeches? I am interested to hear voices, but there must be economy.

Robert Flello: On a point of order, Mr Speaker. Forgive me, but I am in some confusion. I am looking at the order paper, which reads

"not later than five hours after the commencement of proceedings on the first motion, or at 5.30 pm, whichever is the earlier"

How does that mean that that is protected time? Will you clarify, please, if you would not mind?

Mr Speaker: The hon. Gentleman was justified in being confused. I was speaking off the top of my head and I suffered from the disadvantage of being wrong. I thought I was right, but I was wrong, and people should admit when they are wrong. The hon. Gentleman's concern is justified and I apologise to the hon. Member for North Durham (Mr Jones). My point and stricture about economy, however, still apply.

Mr Kevan Jones: I think we have seen an historic moment tonight, Mr Speaker. I did not think it was possible for you ever to be wrong. The way in which you handled that is a credit to you.

Helen Goodman (Bishop Auckland) (Lab): Has my hon. Friend considered this matter in the historical context? The last time we had such a considerable change to the funding system for higher education was in the 1940s. The Education Act 1944 was considered by many people to be the key reform in higher education and it was debated for a full year before the 1945 election. Has my hon. Friend taken that into account in considering his remarks tonight?

Mr Jones: I do not really want to go back to 1945, but I shall make some references to the Higher Education Act 2004 that are relevant to the time that has been allowed.

I want to ask the Leader of the House about the change that happened this week, from allowing three hours to allowing five. The motion was not moved last night and two hours were added to the debate. I think that everyone welcomes that, but it still gives inadequate time to cover the points that we have to make in the debate tomorrow. Whether that was another great concession wheedled out of the coalition by the Liberal Democrats I do not know; I am sure that if it was, we would have heard about it by now.

John Woodcock (Barrow and Furness) (Lab/Co-op): Does my hon. Friend agree that rather than looking set to fall asleep, Liberal Democrat Members on the Government Benches would be well advised to be on their feet pleading for more than the five hours that has been allotted to the debate so that they can tell their constituents and the nation how they have got into this appalling mess and perpetrated this betrayal of their constituents' trust?

Mr Jones: I do not want to intrude on the personal grief of the Liberal Democrat party. As with any other Member of the House, in the limited time available tomorrow, Liberal Democrats can try to catch the Speaker's eye to make their points. I am sure that those who signed the pledge during the election but will vote in favour of the increase tomorrow will want to come to the House to explain why they have changed their minds. It is entirely open to individuals to do that.

Nic Dakin: I calculate that we have had about two and a half hours of debate, in which only three people have spoken, on an issue that might seem unimportant to people outside—whereas tomorrow we will have only twice as much time as that to debate something of great importance. I think that tells the story.

Mr Jones: I am sorry, but I must disagree strongly with my hon. Friend, because the amount of time that the House and Back Benchers get to scrutinise the Executive is very important.

Mr Tom Harris: Given the severe and absurd restriction on the time that we have to debate this issue tomorrow, is it not likely that both Labour and Conservative Back Benchers will be given slightly more time, in the likely event that the Liberal Democrats have difficulty mustering Back-Bench speakers? They are unlikely to get the number of their speakers even into single figures!

Mr Jones: We will have to see what happens, but a very important point was raised earlier about the amount of time that will be available for Government Front Benchers to reply to the debate tomorrow. If we have a packed House with a lot of speakers, there will be limited time for Ministers to explain to the British public the policy that they are putting forward.

Alex Cunningham (Stockton North) (Lab): I am grateful to my hon. Friend and fellow north-east MP for giving way. Tonight I have spent some time with the North East of England Process Industry Cluster, which tells me that it recruits many graduates in the north-east. I am sure that it will share my concern that those graduates—its feedstock—may not be available in future if these student fees are imposed. Does my hon. Friend agree that that is another good reason why we need more time to debate this important issue?

Mr Jones: My hon. Friend makes a good point. I told the Whips tonight that I was giving up the opportunity to dine with people from north-east industry, so I have given up that very nice dinner and an opportunity to discuss with those individuals, who are very important to the north-east, higher education and other issues.

Kevin Brennan: The Government's response to the debate is a key factor, is it not? If they had simply allowed the debate to extend to the normal moment of interruption on a Thursday, there would have been half an hour for them to respond, but as things stand, we will probably have only something like five minutes each at the end.

Mr Jones: I accept what my hon. Friend is saying, but I do not think that an extra half hour would give the House enough time to debate this issue. The words of the Leader of the House in his opening statement are important. As a reason why the statutory instrument needs to be rushed through this week, in a matter of five hours, he said—I wrote this down—that otherwise we would slow the process down, and that the fiscal position we are in is important. That exposes the truth of why this measure is being driven through. It is nothing at all to do with higher education or ensuring that Members can have a debate tomorrow. Rather than the Government thinking about the future of the country and its educational needs, they are saying that future generations will have to start paying now, to try to help them in the financial position in which they now find themselves.

Julie Hilling: Does my hon. Friend agree that tomorrow we will be debating an issue of such importance for all young people in this country that we owe it to them to spend a reasonable time having a reasoned discussion, in order to make a decision on something that will live with them until they reach retirement?

Mr Jones: It will, and what seems like a simple statutory instrument will tomorrow change fundamentally the future of higher education in this country. That is why five hours is not long enough.

John Hemming (Birmingham, Yardley) (LD): As somebody who is not doing a U-turn, I ask the hon. Gentleman: if you are spending more time tonight debating the issue of how long tomorrow's debate will be than that debate will take, why, at 7 o'clock tonight, did you vote not to discuss this at all?

Mr Speaker: Order. I have not done any of the things of which I am accused.

Mr Jones: I am grateful to the hon. Gentleman for coming in. I do not think that he has been here all night, unlike the rest of us. Clearly he has had his dinner, unlike me, and many other Members who have been sat here since 7 o'clock.

Angela Smith: I have looked around me and seen on this side of the House at least four Members who once worked in higher education. They have the expertise that could be brought to bear on the issue in a Public Bill Committee. Should this legislation not be in a Bill, and be considered on Second Reading, in Committee and on Report?

Mr Jones: My hon. Friend takes me on to my next point, which is about the decision to debate the issue in five hours tomorrow. That is to ensure that the measure will be dealt with before the framework document is in place, but it seems ludicrous to have the discussion tomorrow and fundamentally change the funding of higher education in this country before we have the full framework policy document. That should be in place, not only to reveal how what is decided tomorrow may be interpreted, but to allow some newer universities a debate about their financial future. It is clear to me that some of them will struggle when these measures are implemented.

Mrs Moon: Is it not one of the risks that we are running that many universities in England will find it more attractive to bring in overseas students paying, yet again, higher fees? English students will not be able to afford to go to university. We are going to debate the issue within five hours, but the structure of education in Britain is to change dramatically. We need more than five hours to discuss that.

Mr Jones: I thank my hon. Friend, who makes a good point about the five-hour limit.

Thomas Docherty: On a point of order, Mr Speaker. I am struggling to hear my hon. Friend because of the large number of conversations taking place on the other side of the Chamber. Is there anything you can do to ensure that I can hear my hon. Friend?

Mr Speaker: All Members, including those in the Chair, should exercise a self-denying ordinance in these matters. The hon. Gentleman is right to say that it would be good if the decibel level went down. *[Interruption.]* Order. Mr Ruane. *[Interruption.]* Order. Mr Roger Williams, you should not be chuntering away in a private conversation when I am trying to give a helpful ruling. It would help if the decibel level went down and we could hear the speeches.

Mr Jones: Thank you, Mr Speaker. My hon. Friend the Member for Bridgend (Mrs Moon) made a good point, because tomorrow is not just about raising the cap. It is about the consequences of raising the cap, which will have an effect through the recruitment of foreign students. Earlier, a point was made very eloquently by a Northern Ireland Member about the effect on Northern Ireland students. Tomorrow we will have to cover a range of issues, which will be difficult to do in the short time that we have.

Mr Wayne David (Caerphilly) (Lab): Hon. Members have referred to Northern Ireland, but the regulations are specific to England. Of course, we are concerned about the whole United Kingdom, however, and we are talking about a variable geometry over the United Kingdom. Is it not right and proper, therefore, that we should have plenty of time to compare and contrast the situation in England with that in the rest of the United Kingdom?

Mr Jones: That is a very important point, which the hon. Member for Belfast East (Naomi Long) eloquently made earlier. The changes that we make tomorrow will affect students not only on the mainland, but in those countries with devolved Administrations.

Naomi Long: At the Northern Ireland Grand Committee yesterday, we were advised that the Barnett consequentials of the anticipated decision tomorrow, and of any bursary or student support arrangements that may or may not be introduced, have already been passed on to the Northern Ireland Assembly in the block grant. I would presume that it might take more than five hours simply to understand how such a calculation could be made.

Mr Jones: The hon. Lady makes a very good point. My right hon. Friend's central message was that tomorrow we need to discuss, and will discuss, those complex financial implications. There are implications not just for universities and individual students, but, as the hon. Lady quite rightly says, for the Northern Ireland Assembly.

Paul Farrelly: I am listening to my hon. Friend with great interest, but I fear from the smile on the Government Chief Whip's face that he is considering when to cut my hon. Friend off in his prime. If a closure motion is called, would it be remiss of Liberal Democrats to vote to curtail the debate?

Mr Jones: I am sorry, but it is entirely up to the Chair to decide whether to allow a closure motion.

Robert Flello: Will my hon. Friend give way?

Mr Jones: Briefly.

Robert Flello: I am very grateful to my hon. Friend, whose speech I am enjoying greatly. I am also looking forward to making my own speech in due course, so I hope that there will be no closure motion. Owing to the joys of modern technology, Members in the Chamber can monitor their e-mails and see the constant stream of communication from students and their families who are worried about what will happen tomorrow and the amount of time we will have to debate this matter. Has he too received a huge number of representations, in his e-mail account and otherwise, from people concerned about the time we will have tomorrow?

Mr Jones: I thank my hon. Friend for that very short intervention. No, I have not. As everyone knows, I am not the most technical person.

Kevin Brennan: On a point of order, Mr Speaker. This is a matter of some great contention, and we know—indeed, you will be aware, Mr Speaker—that in the previous Parliament a disturbance during proceedings on the Hunting Bill debate caused the House to be suspended. In the unlikely and absolutely dreadful event of that being repeated tomorrow, would the five hours be protected, or would any suspension of the House eat into that time?

Mr Speaker: The short answer to the hon. Gentleman is that he is raising a hypothetical question, and my attitude is best encapsulated in the wise words of the late Lord Whitelaw, who famously said that on the whole he preferred to cross bridges only when he came to them.

Mr Jones: It is important to put this business motion into context. It is a Government motion that seeks to regulate the business and sitting of the House, and page 368 of "Erskine May" sets out the details about such motions clearly, stating:

"Such motions, which do not have precedence…are normally moved by the Leader of the House and invariably require notice".

We have clearly had notice of tonight's motion. Indeed, we had notice of an alternative motion this week, but unfortunately the Government did not move the first motion that they tabled.

"Erskine May" continues by stating that the motions regulating business are, first,

"those…referred to specifically in Standing Order No 15 (exempted business), which are moved at the interruption of business".

The second type is also described on page 368.

"Erskine May" continues:

"Under recent practice, such motions are more commonly moved in the ordinary course of the day's business in relation to the business proposed for a future day, in which case notice is given as for any other notice of motion. Typically, such motions may set a time limit for a future debate"

that is clearly the intention of the Government's motion tonight—

"and may provide for the putting of questions by the Speaker after a certain period or at a specified time."

That last point relates to the limit of 5.30 pm tomorrow. It goes on to say that such motions "may be complex". According to "Erskine May", the purpose of such a motion may be

"To give precedence to government business over private Members' business either on a particular day or days or for a period, for example, until the end of the financial year."

Mr Slaughter: I wonder whether my hon. Friend is moving towards the recommendation of a specific time limit. If he is, I urge him to consider that eight hours might be more suitable than five, because according to a poll by *The Sun*, eight hours would allow one hour for every 1% of support that the Liberal Democrats now have among the people of this country.

Mr Jones: I note my hon. Friend's wit, for which he is not famous. He has obviously worked very hard on that intervention, and I congratulate him. However, I will not go down that route.

"Erskine May" suggests that other purposes for such a motion might be

"To give precedence to specified business…on a particular day",

"To provide for a Saturday sitting",

or

"To provide for adjournment at a stated hour"

on a sitting day. As is eloquently laid out in "Erskine May", the effect of motions such as the one before us is to limit discussion. In this case, it will limit discussion on a vital piece of legislation to five hours.

Roberta Blackman-Woods: Does my hon. Friend agree that one thing that will make life difficult tomorrow for those of us who wish to speak on behalf of our constituents is that the context in which the statutory instrument sits is changing all the time? For example, today there were yet more changes concerning part-time fees. That makes it impossible to work through the impact of the changes.

Mr Jones: My hon. Friend makes a very good point, representing a university city as she does. I remember working hard to get her elected in 2005, when we had to put up with more nonsense from the Liberal Democrats about tuition fees. No doubt my hon. Friend and I will remind them of that later this week when they are deciding how to vote.

Fiona Mactaggart: I thank my hon. Friend for giving way. I am concerned that he, like others, has suggested that the motion will give us five hours to debate the principle tomorrow. In fact, Standing Order No. 16, to which the motion refers, protects debate on statutory instruments. There will be two statutory instruments before us, which under the Standing Order will take up three hours of the debate. There will therefore be only two hours left to debate the fundamental principle of how we fund higher education.

Mr Jones: I must tell my hon. Friend that she is technically not correct. Mr Speaker explained that the statutory instrument and the general principle will be put together to allow five hours' debate. The effect of tonight's motion will be to limit debate. It will clearly not provide enough time to discuss the issues that have been raised in the House tonight. It will dismay the many thousands of electors who will be affected by the measures now or in the future, that a fundamental change to education in this country can be decided and voted on in five hours.

Emily Thornberry: Further to the point made by my hon. Friend the Member for City of Durham (Roberta Blackman-Woods) on the concessions that are being made, is my hon. Friend the Member for North Durham (Mr Jones), as an experienced Member of this House, confident that there will not be a Cancun concession tomorrow that will also have to be debated, so that there will be another last-minute change?

Mr Jones: I think that we have heard about four different options from the Liberal Democrats this week: vote against, vote for, abstain or delay—

Chris Ruane: Vote both ways.

Mr Jones: Indeed, or delay the debate until another day.

It is important that people who signed the pledge, as they called it, have the opportunity to come here tomorrow and take part in the debate. It was interesting that in last week's Question Time the Deputy Prime Minister refused on several occasions to indicate how he or his party intended to vote. We were told earlier tonight that the Liberal Democrat group had unlimited discussions the other night to try to get some consensus on how they would vote, and they still could not come to a decision.

Chris Ruane: It was a three-hour meeting.

Mr Jones: It was. They are obviously spending almost more time in private discussions than they are willing to allow the House to debate the matter.

Helen Goodman: I do not know whether my hon. Friend has calculated this, but had the proposal gone through a normal legislative process, we would probably have had 170 hours' debate. We are to have precisely 3% of the amount of time that we would have had. Has he also noticed that the motion before the House this evening specifies when the matter will be debated, Thursday 9 December, and has—

Mr Speaker: Order. The hon. Lady must resume her seat. It is absolutely understandable—I have said this so many times—that Members look behind them when they think they are addressing a colleague behind them. The hon. Lady must address the House. Secondly, the intervention is rather long, and I feel sure that it is coming to an end. In fact, I think it has probably reached its end, has it not?

Helen Goodman *rose*—

Mr Speaker: Yes, I think it has.

Mr Jones: My hon. Friend makes a very good point about the specific day that the Government picked for the debate. We have seen changes to the motion this week, and it would be interesting to know why the motion for a three-hour debate was not moved the other night. I return to the point that I have yet to learn the justification for why we got the extra two hours. If we can allow two extra hours, I am sure we can allow more.

Albert Owen: My hon. Friend is making a strong point. The Leader of the House has been here throughout the debate, and he is very courteous and usually very helpful. He could clear the matter up by coming to the Dispatch Box and explaining to us why we have a 5.30 pm cut-off. I am dismayed that he has not taken up the opportunity. *[Interruption.]*

Mr Jones: I am sure that the Leader of the House—*[Interruption.]* I am sorry, but I think that barracking the Leader of the House is wrong, because he is a very courteous individual who respects the House. I am sure that in his winding-up speech, he will want to explain why we have the extra two hours.

We have already explained how the motion before us tonight relates to "Erskine May". It is the same principle as a programme motion.

Sandra Osborne: Does my hon. Friend recall the regular songs and dances in the previous Parliament from both the Conservatives and the Liberal Democrats about programme motions, and about how if they got into power they were going to do away with them? Does he think that is consistent with what they are doing tonight?

Mr Jones: No, and my hon. Friend is another Member who has read my mind, because I was just about to come on to that. The Deputy Leader of the House, who has now resumed his place, used to give long lectures on why programme motions were so evil, but the effect of tonight's motion will be to limit the time for debate in a similar way to a programme motion.

I do not intend to go through the entire history of how we came to have programme motions, because that would lead us away from the point, but as my hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne) said, in the last Parliament we were regularly told how evil programme motions were. The hon. Member for Aldridge-Brownhills (Mr Shepherd) set out his views clearly on many occasions about why programme motions, or limiting the time for debate—

Mr Speaker: Order. May I say to the hon. Gentleman that, as I think he knows very well, he has a well honed technique of informing the House that he is not about to talk about something, before proceeding to do precisely that? He said that he would not rehearse the history of programme motions, and he is absolutely right, he will not. I hope that he will now focus on the specifics of the motion as, presumably, he is drawing his remarks to a close.

Mr Jones: I was going to do so, Mr Speaker, but I was making the point that the effect of the business motion is to limit debate. When the Conservatives and Liberal Democrats were in opposition, they made it quite clear how terrible programme motions were.

Mr Peter Bone (Wellingborough) (Con): He's still talking about programme motions!

Mr Jones: Programme motions are very similar to the motion that we are debating. If the hon. Gentleman had been here, which he quite clearly has not, he would be following the debate rather than chuntering from a sedentary position.

I should like to compare this situation with the two previous occasions when the House debated changes to the system of tuition fees—before the Teaching and Higher Education Act 1998 introduced the £1,000 fee for students, and before the Higher Education Act 2004 introduced variable top-up fees. In 1998, the Government introduced a number of programme motions. A report said that nobody objected to them, but six hours was allowed to debate amendments. No one spoke against or resisted those programme motions.

It might help if I set out in terms on the Floor of the House the consideration of the 2004 Act. Far more than five hours was allowed for debate. As my right hon. Friend the Member for Leeds Central said, in 2004, there was more time on Third Reading and Report and otherwise to debate amendments, and the Government also ensured that there was a full debate on the implications of variable top-up fees—we will discuss increasing the cap on top-up fees tomorrow.

On both those occasions, Conservatives and Liberal Democrats spoke against limiting the time—the generous amount of time—that was allowed for debate. It is important to remember that there is some inconsistency in what the coalition Government are proposing, because when the Conservatives and Liberal Democrats were in opposition, they opposed programme motions on the ground that they limited time, but they are tonight going to go through the Division Lobby to allow only five hours to debate the increase in the cap on tuition fees.

Dr Whitehead: My hon. Friend is reflecting on the 2004 Act. He will recall that at the end of the lengthy discussions on that, a sunset clause was inserted that required any suggested increase on the cap on tuition fees to be the subject of a full debate on positive resolutions in both Houses. Does he consider that the hours allocated for tomorrow discharges that clause?

Mr Jones: My hon. Friend played a key part in that legislation, and he makes a good point. If we are to have a detailed discussion on the implications of the Government's proposals, we need time. That was not the case in respect of the discussion on the 2004 Act. Time on the Floor of the House was given for full discussions on the implications of the measures. I also remind the House that many Labour Members at that time made key points to try to get concessions out of the Government, including my hon. Friend, to ensure that poorer students were protected.

Steve McCabe: Is my hon. Friend aware that since this debate began, a further 23 Members have applied for permission to speak in the debate tomorrow, taking the total to more than 70? Does that not show that it would be ludicrous for the Leader of the House to stick to his current position? Now is the time for him to recognise the mood of the House and agree to an extension of the time.

Mr Jones: It is not only the mood of the House: it is also the mood of the country. As with many things that this Government are doing, they are rushing things through. If we had pushed through legislation and ignored the House to this extent, we would have been rightly criticised. Sometimes we did not allow the House enough time for true debate and we were criticised in the press. The point has already been made that curtailing debate also leads to bad legislation, because the implications are not scrutinised either on the Floor of the House or in Committee.

Kevin Brennan: My hon. Friend knows that this House has taken a few knocks to its reputation in the last couple of years. Will not the public be staggered when they find out that not only will the debate tomorrow be limited to five hours, but that the Government are not even proposing that the House uses up the time that it normally has available on a Thursday and finishes at half-past 5 instead of 6?

Mr Jones: My hon. Friend has made that point eloquently for the third time. I know that repetition is important, but I do not want to repeat points that have already been made well. It is true that we still have not had an explanation for the finishing time from the Leader of the House.

In conclusion—[HON. MEMBERS: "More!"] I could start from the beginning if people want me to do so—*[Interruption.]* The Minister of State, Foreign and Commonwealth Office, has been chuntering from a sedentary position all night. I do not know whether he actually wants to make a contribution to the debate tonight or tomorrow, but as he has given up his principles for his red box and car, perhaps he should explain why.

In conclusion, five hours is completely inadequate to discuss the important implications of the motion tomorrow. It will affect not only thousands of students who are now in university, but thousands in the future. It will change the relationship between the state and higher education. It is not acceptable to rush that motion through in five hours without any justification for why three hours was okay two nights ago and five hours is adequate now. I urge hon. Members, especially those Liberal Democrats who still have their backbones in place, to vote with us and object to this programme motion tonight.

10.32 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): I have a great deal of affection for the Secretary of State for Business, Innovation and Skills, the right hon. Member for Twickenham (Vince Cable)—and the stadium in his constituency. He is usually a reasonable man, but in this case he is in an unreasonable hurry.

While the focus has been on the Liberal Democrat position, I fear that five hours will not give us enough time to look at the more interesting views of some influential Conservatives. For example, I would like to have more time to consider this view:

> "Some people will, apparently, be put off applying to our elite institutions by the prospect of taking on a debt of this size. Which, as far as I'm concerned, is all to the good. The first point that needs to be made about the so-called deterrent effect of a…loan is that anyone put off from attending a good university by fear of that debt doesn't deserve to be at any university…if you're such a fool that you don't want to accept that deal, then you're too big a fool to benefit from the university education I'm currently subsidising for you."

Those words were written by the Secretary of State for Education, when he was a columnist on *The Times* in 2003. Of course, the level of debt will be double or more if these proposals go through.

The Government have admitted that debt deterrence is a factor, but as the ground shifts I am not sure that we will have time tomorrow—in five hours—to debate the new national scholarship fund that the coalition are introducing. Very sketchy details have been given to the House about that. We need time to debate that fund and the evidence on which it is based.

Steve McCabe: As well as discussing the reasoning behind the piece of writing my hon. Friend mentions, could we not also ask the Minister for Universities and Science, to explore what has happened to his thinking? He wrote a book called "The Pinch," which describes how our generation is robbing today's teenagers. He is now setting out to do the exact opposite to his book's conclusions.

Paul Farrelly: I agree with my hon. Friend. The views of the Secretary of the Secretary of State for Education can perhaps be described as ultra logical. The Minister for Universities and Science is himself a logical man, but clearly when one admits that the fear of debt, however illogical, is a factor, we must have the time to inquire further into such policies.

Kevin Brennan: Is the point that my hon. Friend is making about the vagueness of some of the detail of the proposal not absolutely vital to the issue of having only five hours for the debate tomorrow? A debate in this House should not simply consist of the Government putting forward their proposals and ramming the measure through on a majority; it should consist of sufficient time for opposition and other Members to scrutinise and ask questions of the Government. That simply will not be able to happen tomorrow.

Paul Farrelly: My hon. Friend is absolutely right. Evidence shows—I hope to come on to some of the evidence—that in constructing any higher education package, it is important that the whole is taken together. The reality of politics means that if the fee levels are set in a five-hour debate tomorrow, those people who are concerned about student support and other elements of the package that may or may not count as deterrents will lose their leverage in future negotiations. My hon. Friend is absolutely correct.

Mrs Moon: One of the problems with a five-hour limit is that the legislation is complex and many young people may arrive here tomorrow wishing to clarify the terms and conditions under which their future education will depend. They will need to spend time talking to their Members of Parliament, but they will not have time to do so in that five hours. In particular, I know that young people have been unable to access their Liberal Democrat MPs because of notices on their office doors that say the office is closed.

Mr Speaker: Order. First, that intervention was too long and, secondly, the issue is not how much time visitors to the House have to raise matters with Members who might or might not be taking part in a debate; the issue is the allocation of time for Members of Parliament to debate the issues.

Paul Farrelly: My hon. Friend makes a pertinent point. What young people will take away from just five hours of debate tomorrow is the fact that going for a degree will cost them much more. They will not have any details on how they will be supported. Such information would allow them to form a considered view. Some of the evidence that I fear the House will not have time to consider tomorrow shows that, where variable fees have been introduced overseas, there is a deterrent effect. That is clear from the Ivy League in the United States. Again we will simply run out of time tomorrow to give proper consideration to the US experience.

Shabana Mahmood (Birmingham, Ladywood) (Lab): Does my hon. Friend agree that the deterrent effect is particularly keenly felt by students who will be the first in their families to go to university? That is the case for many students in my constituency who are, frankly, put off by the terrifying prospect of £30,000 or £40,000 of debt.

Paul Farrelly: I was the first in my family ever to go to university. It is certainly a challenge for the Government to ensure that students who do not come from a background where higher education is the norm are not put off. I fear that that will be the starting point if we are allowed to debate the matter for only five hours tomorrow.

Robert Flello: Will my hon. Friend give way?

Paul Farrelly: I will certainly give way to my hon. Friend and next-door neighbour.

Robert Flello: I am grateful to my hon. Friend and next-door neighbour. My constituency covers a third of Stoke-on-Trent, a very challenged area, where one of the best ways forward for young people is to go either to the fine university of Keele or to the fine university of Stafford. How will they be able to do so if we do not have the time tomorrow to debate the full intricacies of the issues, so that they can be reassured?

Paul Farrelly: I thank my hon. Friend for raising the situation in north Staffordshire, where we live, which is a situation that will be replicated across the country. The danger is that we will not have the time to debate, area by area, the risk to the entirety of an institution that will follow—or may follow—the teaching cuts and the fees combined.

Julie Hilling: Does my hon. Friend agree that people studying courses such as youth and community work will be disadvantaged? It is mainly poorer and older people who go into the profession, and they are people who spend their lives in the service of young people and their communities, but who will never earn the salaries

Mr Speaker: Order. The hon. Lady is very much focusing on the substance of the issue, but we must get back to the allocation of time.

Paul Farrelly: I am acutely aware, as my hon. Friend is, that the Government are saying on the one hand that they want the best and brightest to go into teaching, for example, yet on the other hand they are making it more difficult, and that we will not have enough time tomorrow to debate all those intricacies or how the Government plan to tackle the issue.

John Robertson: People outside this place will be affected by what will happen and what will be discussed tomorrow, but how much time from those five hours does my hon. Friend think will be devoted to the problems in the devolved areas?

Paul Farrelly: Mr Speaker has graciously allowed a wide-ranging debate tomorrow, but inevitably—this is at the Speaker's discretion—there will be limits. It will be difficult for Members, if they are called, to expand fully on the arguments in the time available. The

international evidence is vital. Good, sound policy should be based on evidence. Frankly, we need the time, as an intelligent House, to debate it.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Does my hon. Friend share my concern and that of million+, the think-tank, that we do not have sufficient time to deliberate on the impact of some of the Government's proposals on women's participation in university? Some of the assumptions are false. Women will take longer to pay back the fees and will therefore end up paying more in the long run.

Paul Farrelly: I entirely agree with my hon. Friend: the effect on women is also something that the House should be given time to consider. Million+ is a great institution that has put forward many practical alternatives. It disputes some of the Government's assertions about who will bear the greatest burden, which is something that we have now heard the Institute for Fiscal Studies doing too. We will simply not have time in five hours to get to what is fact and what is fiction in the Government's position.

The market system is most fully developed in the United States, and we should be given time to look at the effects there.

Mr Ben Wallace (Wyre and Preston North) (Con): Obviously this debate is focused on the opportunity to debate the subject tomorrow, but on Monday the Opposition had their eighth allotted Opposition day debate. They chose to discuss not tuition fees but local government funding. Perhaps when they are complaining about a lack of time, they could remind the House that when they had the opportunity on Monday, they did not take it.

Paul Farrelly: I do not know where the hon. Gentleman has been for the past few days, but we have just had an Opposition day debate on that very subject.

If we had the time, one of the things that we should look at is the experience in the US. Some 34% of young white people in the United States earn an honours degree, compared with only 19% of African-Americans and 10% of Hispanics. Again, we will not have time to look at the international experience. In Canada, when fees for medical schools went up from roughly the same level as ours are now—the equivalent of £3,000 in their currency—to $15,000, which is much the same as £9,000, participation among children from lower income backgrounds dropped by a third. We simply will not have the time—[Hon. Members: "Hooray!"] We will not have the time to rehearse all that evidence

Robert Flello: My hon. Friend is making some extremely important points about having the time—*[Laughter.]* He is talking about having the time tomorrow to debate these important issues, yet all that we can hear from across the Chamber is hysterics. Is it really that funny to prevent young people from going to university because of these fee increases, and not having time to discuss it?

Paul Farrelly: Most Members of the House are very well behaved and listen politely when other Members are on their feet. Mr Speaker, I will not try your patience by going through every fee level, which we will not have time to debate, in Australia, New Zealand, Canada and the United States, institution by institution and region by region. The fact is, however, that if the motion goes through tomorrow, we will have the highest levels of fees across the board outside the United States. The implication of that—

Mr Speaker: Order. I think that the hon. Gentleman is in danger of catching North Durham disease. The hon. Member for North Durham (Mr Jones) was fond of saying what he would not talk about before proceeding to talk about it, and I hope that the hon. Member for Newcastle-under-Lyme (Paul Farrelly) is not going to follow suit.

Paul Farrelly: I apologise if I have given that impression, Mr Speaker. I take it that North Durham disease is a mining affliction; I come from a mining area myself.

Mr Tom Harris: It has been announced tonight that the latest YouGov poll puts the Liberal Democrats on only 8%. Would it not be to their benefit to have more time to debate these matters tomorrow, in order for them to persuade the country that they have actually stuck to their principles? Or does my hon. Friend believe that, if they were given more time, that 8% might look quite optimistic in a couple of weeks time?

Paul Farrelly: I hope that it will not take 5% of five hours to persuade the Liberal Democrats to join us in asking for more time tomorrow.

The evidence from the UK needs to be properly considered as well, including the evidence on price sensitivity. And the Government have not explained the evidential base on which their policy is based. We need time to fathom that.

Helen Goodman: I would not wish to make a political point, but does my hon. Friend agree that the Leader of the House might have been influenced by the fact that the statistics for applications from UK-domiciled students for undergraduate courses at the colleges of Oxford university show that 10 times as many come from Hampshire as come from County Durham?

Paul Farrelly: My hon. Friend has put her point firmly on the record, and I hope she will get the opportunity to expand on it if she is called to speak later in the debate.

There are a great many documents from institutions in the UK that have been looking at the effect of fees on participation, and we really need the opportunity to debate them. One such document, an interim impact assessment on higher education funding, shows that, according to the evidence on price sensitivity, a £1,000 increase in fees reduces participation by about 4.4 percentage points, yet here we are, facing a £6,000 rise, which would imply a reduction in participation by a quarter. We need time to look at all that evidence, which the Government have not been forthcoming in producing to back up their plans.

The Deputy Prime Minister, the right hon. Member for Sheffield, Hallam (Mr Clegg) has placed great emphasis on social mobility. He has even stated that these proposals will increase social mobility, and we need time to be able to cross-examine that view and to see the evidence for it.

[Paul Farrelly]

We also need time to give an airing to all the views of the young people that have come to us from across the country, e-mail by e-mail. We need more than five hours to do that.

Catherine McKinnell: On social mobility, another issue that I am sure we will not have time to debate properly tomorrow is the removal of the education maintenance allowance. That, as well as the issue of tuition fees, is relevant to social mobility and the two issues will have a cumulative effect, preventing people from accessing universities or even from getting into a position to think about going to university in the first place.

Paul Farrelly: My hon. Friend will have heard me mention the Secretary of State for Education—a lovely man, although he has some energetic views. What we really need is time to see whether the Government are engaging in joined-up policy. How does the abolition of the EMA affect participation and how will it increase mobility? The same applies to the abolition of the Aimhigher programme. We simply have not had the time and I do not think we will have the time in five hours to debate that.

Mr David: As already noted, the statutory instrument applies only to England, but a number of Welsh colleagues have been in active dialogue with our friends in the Welsh Assembly. A different regime, of course, will be implemented there. Does my hon. Friend agree that it would be good for debate if we had ample time to bring forward the Welsh experience so that we could compare it with what is going to happen in England?

Paul Farrelly: Indeed. I think that the Leader of the House should find time—separate time—to look at Wales, Scotland and Northern Ireland.

Barbara Keeley: I thank my hon. Friend for giving way; he is being generous with his time. As for understanding how the abolition of the EMA will affect different groups, I hope we will get enough time to discuss the impact on young carers. I recently spoke to someone who worked in a young carers' project in Salford who told me that all but one of the young carers, aged 16 to 18, were on the EMA. She was very worried that they would lose out on the end of their education. Maintaining an education alongside a big caring work load is a very difficult thing. Let us hope that we will have enough time to discuss that issue.

Paul Farrelly: Indeed. People who have to take a break from work—women raising a family, for example—will lose out in terms of their ability to repay because they become carers. Again, we need more time to look at the impact of the changes on such people.

Albert Owen: On a point of order, Mr Speaker. Can you help me? Have you had any indication from the Leader of the House whether he intends to wind up the debate on behalf of the Government? He has been sitting there motionless throughout the evening and has not taken the opportunity to explain why he has imposed the 5.30 pm deadline and why he has not answered the question asked by my hon. Friend the Member for North Durham (Mr Jones) about the increase from three to five hours.

Mr Speaker: I have received no such indication. I did not invite it and it has not been proffered. That is the situation. I think it is fair to say that the hon. Gentleman's point is not a point of order but a point of inquiry, which is not quite the same thing.

Paul Farrelly: Just to conclude my response to the intervention made by my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley), we need that vital time to assess the implications for all those people in those situations.

Sheila Gilmore: My hon. Friend appeared to say that separate and additional time would be required to deal with Wales and Scotland. I ask him to consider the fact that once the motion has been passed, if it is passed tomorrow, decisions will have been taken that will have impacted on those areas and that this is a major change from what went before. We therefore need time within the debate before a decision is made on the level of fees.

Paul Farrelly: Unfortunately, I am not responsible for scheduling the business of the House, but I think that the Leader of the House should be as generous as possible in allocating time to debate these issues. For instance, we need time to examine the views of young people. Let us think of the Youth Parliament—an institution that we have encouraged. We have invited it here to debate and its members have sent e-mails to Members of Parliament. We need time to debate the views of Ahmed Siddiqui, a 16-year-old who asked us not to give up on helping his generation to become everything they can be.

Steve McCabe: Is my hon. Friend rapidly coming to the same conclusion as I am—that, having heard from only four speakers in this rather short debate so far this evening, we have nevertheless heard a large number of issues raised and concerns expressed, so it is now time for the Leader of the House to realise that he should do justice to this debate, which requires not five hours but two days?

Paul Farrelly: You will be glad to hear, Mr Speaker, that I plan to conclude very shortly, to give more Members—including, I hope, Government Members—an opportunity to contribute to the debate.

Kevin Brennan: My hon. Friend mentioned that the Youth Parliament came here to debate the very same issue. Would it not be ironic if we spent less time in the House debating the subject than the Youth Parliament, because of the inadequacy of the motion?

Paul Farrelly: It would be not only ironic, but tragic and a dereliction of the House's duty—and a bad example to the UK Youth Parliament.

As my hon. Friend encourages me to talk more about the UK Youth Parliament, I should say that we need time to consider the views of Sam Hatzigeorgiou, a 16-year-old, who says:

"I am seriously considering giving up any hope of university education. Please think about that before you vote."

Why can we not have time to consider what Chloe Shaw, who is just 15 years old, says? She says:

"I will be 18 when the policy comes into action. I am so worried about the rise in tuition fees. I am only going to be applying for the cheapest universities. Shouldn't I be making the most of my abilities, rather than going for the cheaper options?"

Mr George Howarth: Will my hon. Friend add to his list the views of the students of All Saints school in my constituency? A couple of weeks ago, they told me that they see themselves facing a triple whammy: the loss, for many of them, of the EMA; the scrapping of Aimhigher; and the removal of the opportunity to go into higher education.

Paul Farrelly: My right hon. Friend's point is well made. Traditional industrial areas, such as his and mine, are in need of all those schemes to encourage people and give them a fair chance to go to university. We need time to discuss that.

We need time to discuss other matters of which young people may not be fully aware. At the moment, they are just aware that it will cost them more to go to university, but perhaps they are not aware that some universities might not exist in future because they are threatened by teaching cuts. Without being parochial, I should like to discuss my university, Keele, where there will be an estimated 46% cut in the teaching grant, from £29 million to £13.5 million.

Robert Flello: I am most grateful to my hon. Friend for his generosity with his time—

Mr Bone: We're over here.

Robert Flello: My apologies. It is good to see the hon. Gentleman in his place; he has been a little bit on and off over the past few hours. *[Interruption.]* I hope he is saving himself for my speech later as well.

My point, of course, relates to the motion before us this evening. Would my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly) care to comment on the fact that there are a huge number of organisations on which the House relies for information, support and knowledge that wish their views to be represented through their Members of Parliament, but that under the motion we will not have time to discuss properly the issues that they have raised with us?

Paul Farrelly: My hon. Friend is correct. There are wider issues involved in the contribution that higher education makes to local economies. For instance, in our area, Staffordshire university may face cuts across the board that will damage the great job it does in regeneration and teaching new ceramics skills and design.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does my hon. Friend think that the motion will give the House sufficient time to discuss all the implications of the fact that the hon. Member for Bermondsey and Old Southwark (Simon Hughes) has announced tonight that he will not vote for the tuition fee increases?

Paul Farrelly: I fear that there will not be time to discuss everything that has been said on the issue, or even to fathom whether Members have the courage to turn up in the Chamber and abstain in person, rather than simply stay away.

Helen Goodman: Another consideration—

Mr Speaker: Order. I must ask the hon. Lady to face the Chair.

Helen Goodman: Another consideration is the impact on universities of excluding able young people who simply cannot afford to go to the best universities. Does my hon. Friend agree that that is not just bad for the young people but bad for the universities? Will there be time for us to discuss it?

Paul Farrelly: I do agree, and I have already said that we will not have time to discuss the ins and outs and the evidence base of the national scholarship fund. We are told that 18,000 to 20,000 students might be helped, but we have not been told where those figures come from.

Thomas Docherty: I do not know whether Members have had a chance to read the House of Commons Information Office's excellent publication on statutory instruments, but I had a chance to pick up a copy yesterday. We will be discussing a statutory instrument tomorrow. My hon. Friend may be interested to know that in the House of Lords, determination of the time to be allocated to debate on statutory instruments is based on the number of speakers who have indicated that they wish to take part. Does my hon. Friend agree that, given that we will not have enough time tomorrow, the Procedure Committee of the House of Commons should consider again whether the system works for the purpose for which it is intended?

Paul Farrelly *rose*—

The Comptroller of Her Majesty's Household (Mr Alistair Carmichael) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith. That the Question be now put.

The House proceeded to a Division.

Mr Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 300, Noes 201.

Division No. 148] **[11.1 pm**

AYES

Adams, Nigel	Blackman, Bob
Afriyie, Adam	Blackwood, Nicola
Aldous, Peter	Blunt, Mr Crispin
Alexander, rh Danny	Boles, Nick
Amess, Mr David	Bone, Mr Peter
Andrew, Stuart	Bottomley, Peter
Bacon, Mr Richard	Brady, Mr Graham
Bagshawe, Ms Louise	Bray, Angie
Baker, Norman	Brazier, Mr Julian
Baker, Steve	Brine, Mr Steve
Baldry, Tony	Brokenshire, James
Barclay, Stephen	Brooke, Annette
Barwell, Gavin	Browne, Mr Jeremy
Bebb, Guto	Bruce, Fiona
Beith, rh Sir Alan	Bruce, rh Malcolm
Beresford, Sir Paul	Buckland, Mr Robert
Berry, Jake	Burley, Mr Aidan
Bingham, Andrew	Burns, Conor
Birtwistle, Gordon	Burns, Mr Simon

Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Stephen Crabb

NOES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana

Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Chapman, Mrs Jenny
Clark, Katy
Coaker, Vernon
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Healey, rh John
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Noes:
Phil Wilson and
Mark Hendrick

Question accordingly agreed to.

Main Question put accordingly.

The House divided: Ayes 305, Noes 202.

Division No. 149] **[11.18 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham

Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Hughes, Simon
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and Mark Hunter

NOES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Anderson, Mr David
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Chapman, Mrs Jenny
Clark, Katy
Coaker, Vernon
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobbin, Jim
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.

Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mulholland, Greg
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Noes:
Phil Wilson and
Mr David Hamilton

Question accordingly agreed to.

Ordered,

That, at the sitting on Thursday 9 December, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Secretary Vince Cable relating to Higher Education Higher Amount and, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), on the Motion in the name of Secretary Vince Cable on the draft Higher Education (Basic Amount) (England) Regulations not later than five hours after the commencement of proceedings on the first motion, or at 5.30 pm, whichever is the earlier; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

Thomas Docherty: On a point of order, Mr Speaker. I am very disappointed that we were cut off in our prime this evening, but tomorrow we have important business questions and I very much appreciate that the Leader of the House is a star draw. Will you ensure that important issues are not curtailed tomorrow lunchtime thanks to the actions of the Government deputy Chief Whip?

Mr Speaker: The Chair always seeks to ensure that there is a good opportunity at business questions for right hon. and hon. Members to raise issues of concern to them. I know the hon. Gentleman would not expect me to say now for how long business questions will run. That would be wholly unreasonable of him, and he is not an unreasonable man, but I note what he says, I bear it in mind and I will make what I hope is a reasonable judgment in the circumstances at the time.

Mr George Howarth: On a point of order, Mr Speaker. The Leader of the House, during the course of the debate, admonished my right hon. Friend the Member for Leeds Central (Hilary Benn) for not tabling an amendment to the order, but I should just like to quote from "Erskine May", page 675, on the section that deals with delegated legislation. It states:

"Though they may be moved as independent motions, motions which propose to treat delegated legislation or other matters subject to proceedings in pursuance of an Act of Parliament, in a manner which would be outside the provisions of the parent statute, such as motions to refer instruments to select committees, or motions not to approve instruments or to approve them upon conditions, may not be moved in the House…as amendments to questions which arise in the normal way out of proceedings"

Mr Speaker: Order. I am extremely grateful to the right hon. Gentleman—*[Interruption.]* Order. No, no. I am extremely grateful. He has had his say, and I am very grateful to him, but my concern is that he is confusing the statutory instrument for consideration tomorrow with the motion that we have been debating tonight. So, on the assumption that I am correct, and I know that the right hon. Gentleman would not dispute that I am, there is nothing further upon which I need to adjudicate—

Mr Howarth *rose*

Mr Speaker: And that therefore is the end of his point of order.

Mr Howarth: On a point of order, Mr Speaker.

Mr Speaker: I assume it is a different point of order.

Mr Howarth: Well, it is. I am very grateful, Mr Speaker, and of course I would not in any circumstances challenge any judgment that you made in this House. However, the quotation refers to proceedings, not necessarily to the instrument itself. If I am correct in that assumption, it may well be that the Leader of the House, who is an honourable man and would never knowingly mislead the House, may have been guilty of terminological inexactitude.

Mr Speaker: I think I am right in saying that the reference is to proceedings on an order, and if that be correct I stand by the proposition that I have just put to the House, which is that there is nothing further upon which I need to rule. But the right hon. Gentleman, although he has been here two decades or more, is, like we all are, on a learning curve, and, if in pursuit of those procedural matters he wishes to improve his knowledge, he can always consult the Clerks at the Table. He might find that a profitable exercise.

Steve McCabe: On a point of order, Mr Speaker. What advice would you give me when I try to deal tomorrow with constituents who will want to know why I am not able to represent their views in the debate on tuition fees because of the disgraceful timetable, and why it was not possible, when 30 Labour Members sought to catch your eye tonight, for us to continue to query the business motion? When my constituents ask me if that smacks of a coalition dictatorship, what advice should I give them?

Mr Speaker: We must not continue the debate that has just been had. I would say that the hon. Gentleman is an experienced Member, and the notion that he needs advice from me about communication with his constituents is as flattering to me as it is insulting to him.

Mr Tom Harris: On a point of order, Mr Speaker. I know that you take very seriously the reputation of this House and how we are perceived on television. Tonight, the many hundreds, or probably dozens, of people watching these events will be appalled by the Government's attempts to curtail free speech. Would it be in order, when you are using your judgment to draw up the speakers' list for tomorrow, to give precedence to Labour Members who voted in favour of free speech tonight and to put Conservative and Liberal Democrat MPs, who have voted against free speech, further down the speaking order? That might not be within the rules of the House, but it would certainly be just.

Mr Speaker: That was an extraordinarily discursive attempted point of order. I am sure that the hon. Gentleman would not wish to anticipate the selection decisions of the Chair. He has made his point.

Roberta Blackman-Woods: On a point of order, Mr Speaker. I sat assiduously through the earlier debate from 7 pm, hoping to raise issues on behalf of my constituents and the all-party parliamentary university group, but sadly I was prevented from doing so by the closure motion. I urge you to do as you usually do and seek to include as many Members as possible in tomorrow's debate.

Mr Speaker: I shall do what I can in the circumstances. I am grateful to the hon. Lady for her application, on which I will not adjudicate.

Robert Flello: On a point of order, Mr Speaker. Like my hon. Friend the Member for City of Durham (Roberta Blackman-Woods), I was in the Chamber for the entirety of tonight's debate. Unfortunately, I was unable to catch your eye before the ruthless move from those on the Government Benches to curtail tonight's business. Will you advise me, as a still relatively new Member of the House, on the procedural move whereby the closure motion was put by a Liberal Democrat member of the Government, who had not been in attendance for the debate? Is it normal that somebody can come in almost at the end of the debate and move a closure motion?

Mr Speaker: Anyone in the House of Commons can move a closure motion.

Kerry McCarthy: On a point of order, Mr Speaker. I understand that 49 Labour Members have applied to speak in tomorrow's debate and that the number for Government Members is between 20 and 30. It will obviously be very difficult for everyone to get in. Will you consider over night whether there ought to be a limit on Front-Bench contributions? We obviously want to hear about the proposals from the Secretary of State for Business, Innovation and Skills or whomever he delegates to do his work for him, but it is important that Back Benchers get a chance too.

Mr Speaker: I cannot adjudicate on that matter now, nor give any advance indication to the hon. Lady on how the debate will run. I say only that I am sure that Members will want to be courteous to each other. We are all concerned that right hon. and hon. Members from the Back Benches should have a chance to air their views. That is right and proper, but I shall be here and I attach great importance to these debates in the interests of all Members.

Kevin Brennan: On a point of order, Mr Speaker. What was novel about the motion that we have just passed was not that it timetabled business—of course, that does happen—but that it timetabled business to come to an end half an hour before the moment of interruption. I cannot remember another occasion on which that has happened, but hon. Members might tell me that I am wrong. *[Interruption.]* I am sure that if the right hon. Member for Uxbridge and South Ruislip (Mr Randall) wants to say something further to my point of order, he will get to his feet in a minute. Will you advise me, Mr Speaker, on the best way to take this matter forward? Is it to write to the Procedure Committee? *[Interruption.]* I am not wasting time; it is the Government who are wasting time, because they said that they wanted to have that half an hour for voting. Voting

should take place after the moment of interruption, and it always has. They have taken half an hour off tomorrow's debate, and that is a serious matter.

Mr Speaker: What I say to the hon. Gentleman is twofold. First, he should not seek to continue the debate. Secondly, he rather anticipated my thoughts. If he feels strongly about this matter, a comprehensive memorandum from him to the Procedure Committee would be a very interesting memorandum to study. It would probably take him some little while to attend to it and I feel sure that that is just what he will want to do.

Ian Murray (Edinburgh South) (Lab): On a point of order, Mr Speaker. I wonder whether you can give me some direction as a new Member of the House. Many coach loads of students from Edinburgh are heading south as we speak, not only to attend marches tomorrow but to attend the debate in the House. The inclement weather in Scotland and the north of England is very much unprecedented, and I wonder whether it is in your gift, given that the Government have just curtailed tomorrow's debate, to delay proceedings at any point if people are stuck and unable to take part.

Mr Speaker: There is no such power for the Chair. The timing of tomorrow's business is always in the hands of the House. It is a matter for the House, not for the Chair.

If there are no further points of order—I am grateful to Members for those that they have put—we come to motion 7.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ANIMALS

That the draft Mutilations (Permitted Procedures) (England) (Amendment) Regulations 2010, which were laid before this House on 8 November, be approved.—*(Bill Wiggin.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 15 December (Standing Order No. 41A).

PLANNING: NATIONAL POLICY STATEMENTS

Ordered,

That, for the purposes of the revised draft National Policy Statements on energy laid before the House on 18 October, the designated date in Standing Order No. 152H(5) (Planning: National Policy Statements) shall be the fourteenth day before the expiry of the relevant period defined under section 9(6) of the Planning Act 2008.—*(Bill Wiggin.)*

DELEGATED LEGISLATION

Ordered,

That the Housing Benefit (Amendment) Regulations 2010 (S.I., 2010, No. 2835) and the Rent Officers (Housing Benefit Functions) Amendment Order 2010 (S.I., 2010, No. 2836), be referred to a Delegated Legislation Committee.—*(Bill Wiggin.)*

PETITION

Further and Higher Education Funding

11.41 pm

Ms Angela Eagle (Wallasey) (Lab): I am presenting a timely petition to the House tonight. It was gathered by school students across Wirral, who recently demonstrated peacefully outside Wallasey Conservative headquarters and marched to the town hall to register their strong objection to the Government's proposals on the educational maintenance allowance and tuition fees. It is signed by 875 pupils, and I strongly agree with it.

The petition states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of Sarah Smith and students from schools across Wirral.

Sheweth, that the Petitioners believe that the Government's abolition of the Education Maintenance Allowance and the proposals to lift the cap on University fees will prevent students from poorer backgrounds having full and fair access to education.

Wherefore your Petitioners pray that your Honourable House rejects any proposals to remove the cap on University tuition fees and urges the Government to enhance equality of opportunity and equal access to education instead of cutting off support for students and creating some of the most expensive tuition fees in the World.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000869]

Mental Health Services (Lancashire)

Motion made, and Question proposed, That this House do now adjourn.—*(Bill Wiggin.)*

11.43 pm

Mark Hendrick (Preston) (Lab/Co-op): I rise to speak about acute mental health service provision in Lancashire. Since August it has become clear that the Lancashire Care NHS Foundation Trust has a clear strategy of closing adult in-patient care units for people with serious mental health conditions such as schizophrenia and bipolar disorder.

Initially, the plan was to be realised and carried out in secret, without the knowledge or consent of the democratically elected governors of the trust. However, once the staff at the Avondale unit of the Royal Preston hospital became aware of the fact that patients were being refused admission or sent for care at alternative facilities, they leaked the information to the local newspaper, the *Lancashire Evening Post*. Very quickly, campaigners and myself decided to take on the trust—if we can call it a "trust"—and fight the case. The people of Lancashire are enraged about closures across the county, such as that of the Pharos unit in Fleetwood earlier this year, and now the planned closure of the Avondale unit before the new year.

In order to fight the closures, the campaign organisation SAFE—Save Avondale For Everyone—was set up and is led by a courageous and determined set of activists: Andy Hanson, Alison Ball, Fiona Jones, Nadia Southworth, Steve Weyer and Lisa Daley. Along with many others, they have taken on the might of the autocratic managers with six-figure salaries who have no respect whatever for the democratically elected governors of the trust, or the people of Lancashire whom they are employed to serve.

Preston needs the Avondale unit, which has served and saved many lives over the decades: it has saved people from suicide and serious mental illness. Everyone in Preston knows somebody or has a relative who has needed treatment at the unit. As the coalition cuts begin to bite, more people will become unemployed, which will cause more mental illness. Preston is a military town, with Army and Territorial Army barracks. Many armed forces personnel will return to Preston from conflict zones around the world with different degrees of mental illness. Returning forces will need that facility. Preston also has many students, many of whom suffer from mental illness because of the stresses and strains of exams—and, of course, student debt, which is topical at the moment. I understand that the Minister will be absent tomorrow; he will be with the hon. Member for Torbay (Mr Sanders) in Torbay because he does not wish to vote for the coalition's legislation—but that is by the way.

The closures mean that extremely vulnerable patients with mental illness from Preston will be forced to travel to Blackpool, Chorley or Ormskirk for treatment and care, despite the Government's promise to ring-fence spending on the NHS. That promise is not worth the paper it is written on, because the trust is not only cutting spending this year, but will cut spending across Lancashire by £33 million next year.

The Lancashire Care NHS Foundation Trust has this mission statement:

"To improve the lives of the people we serve and ensure that mental health matters across the whole community"

and this strategic aim:

"To deliver high-quality, person-centred, compassionate services for mental health".

It claims to have the following values:

"Teamwork…Compassion…Excellence…Accountability…Respect …Integrity".

Let us check the evidence on that. What do people want in Preston? We want local integrated in-patient and community care services; choice in accessing local services, and for that choice to be respected; and the continuation of local in-patient services in the city of Preston, which is the capital of Lancashire and its administrative centre. We have overwhelming local support: I have a petition with thousands of signatures that I will present to the Minister following the debate. The petition is very clear. Everybody in Preston and the surrounding areas wants the Avondale unit to be saved.

We accuse the funding bodies, the primary care trusts and the Lancashire Care NHS Foundation Trust of driving through hidden changes that will have profoundly detrimental psychological, economic and social effects on the people of Preston. There will be many other downsides. For example, the *Lancashire Evening Post* recently reported on the anger at the travel ordeal that patients will face in future. On 14 July it said:

"Mental health patients may have to travel from Preston to Chorley following the closure of…facilities in the city".

The chairman of the Lancashire mental health and social care partnership board believes that the consultation process was inadequate. He said:

"It is unclear how the priorities identified at these events translate into a one option consultation – surely this means that there is no choice."

Let me give a few examples of what patients will be faced with in future. If someone travels from Preston to Blackpool to get treatment, the cost implications for one adult visiting five days out of seven is £29 a day, with a minimum travel time of three hours a day. The average length of stay is 34 days, so the total cost would be around £145. For someone being treated in Ormskirk, the travel cost is £45 a day and minimum travel time is five to six hours. Again, if an average length of stay is 34 days, the total cost would be £225.

The authority clearly wants to adopt a strategy of having some provision at home. The claim is that

"when people are able to stay in their home environment they maintain contact with their family and friends, have less risk of losing their jobs, and can continue living their normal lives."

That is a quotation from Steve Ward, the medical director of NHS Central Lancashire trust. The chief executive of the trust said:

"We know that community services such as crisis resolution, home treatment and assertive outreach teams enable more people to be treated safely and successfully in their own home or in the community, which is where they tell us they prefer to be treated".

That is code for cuts, and it is finance-driven, not care-driven.

When the Care Quality Commission looked at the provision of services in its community survey, only 5.5 out of 10 was scored on the question of whether

"those that had used the crisis number in the last 12 months…believe…they received the help they needed, the last time that they called this number."

On trust performance review, a staggering 66% of patients have had to have a formal review of their care within 12 months, which clearly shows that the current system of providing care in the home is inadequate.

On the subject of suicides in Lancashire, the actual number of suicides in the Preston area in January to March this year was 12, and for April to June it was nine. The total number of suicides for people in contact with Lancashire Care NHS trust mental health services over the last two years is 80. The removal of local patient beds in Preston will increase the already unacceptably high number of suicides. All of these suicides were in the community. One headline reads "Suicidal patient told 'no beds at Avondale'".

There has been no consultation on the total closure of Avondale, and no working in partnership or public involvement. As I said earlier, the governors of the trust have been treated with contempt. There has been complete disregard of and disrespect for the wishes of the people of Preston, as the petition, which has thousands of signatories, makes clear. There has been a total lack of openness and transparency. Plans are only now being talked about in any detail, and are being presented as a fait accompli—by diktat, not by discussion with the governors or the people of Preston.

Preston community mental health services will be unable to manage crisis without local beds; they are struggling now. In order to close Avondale, they have had to refuse patients or move them elsewhere, in many cases to private units, which is privatisation by the back door. Patients in Preston face an unclear and constantly changing service plan. The governors have no power over the executive, which has become unaccountable and unrepresentative in its decision making.

The question is not whether Preston can manage without Avondale, but whether it should have to do so. The answer is clearly no. People manage to live through most disasters, but should we allow a publicly funded organisation to develop into a disaster for some of the most vulnerable people in Preston's population? The evidence of the impending disaster is clear. In the review in 2006, Whyndyke Farm, Ribbleton hospital and Burnley were seen as sites that could have either new facilities or extensions to existing facilities. The plan was to close smaller units. No evidence exists that remote, large hospitals improve mental health care, but there is a lot of evidence that they do not. The deal on new facilities has now been reneged on. There is planning permission for Whyndyke Farm near Blackpool, but Ribbleton hospital will not receive an extension and Burnley will probably never get off the ground. Indeed, I would be very surprised if the extension at Whyndyke Farm sees the light of day. Questions remain over the capacity of local community health services to manage crisis without local in-patient beds in the long term.

A city the size of Preston needs its own in-patient beds and deserves to be consulted about what kind of care its citizens can expect to receive. A city the size of Preston should not be treated as if it were an afterthought, and it should not be forced to fit in with a corporate, financially-driven view of what Lancashire should look like. Lancashire Care NHS Foundation Trust does not care, and cannot be trusted.

As part of the campaign, there have been public meetings, demonstrations and a whopping petition that I shall serve the Government with at the end of the debate. I call upon the Minister and the Secretary of State to approach Lancashire Care NHS Foundation Trust and tell it that this plan does not serve the interests of the people of Lancashire or their mental well-being. The proposal is vandalism, and flies in the face of the Government's promises to protect the NHS. It will result in more suicides and more vulnerable people coming to harm from others, as well as from themselves.

The former Prime Minister Margaret Thatcher claimed that the NHS was safe in Conservative hands. Well, we all know what happened. If this Government repeat her mistakes, they will pay for it with the lives of vulnerable people in Preston and across the country. Ultimately, they will pay for such actions by being turfed out of office again for those mistakes.

11.56 pm

Mr Ben Wallace (Wyre and Preston North) (Con): I am grateful to the hon. Member for Preston (Mark Hendrick) for allowing me to participate in this debate. The Avondale clinic is, of course, in my constituency. When the issue was raised by a constituent, I did my best to get to the bottom of the process before, first, forming a position and, secondly, tackling the Government and the NHS trust with some questions and requests.

I surveyed all the GPs in the north and south of Preston and in Chorley. I spoke to the professionals and visited the alternative in-patient centre in Chorley. I visited the Avondale site and spoke to many constituents to asses the key issues. The hon. Gentleman raised a number of sound concerns about the mental health trust, but I am afraid he also raised a number of partisan points. That is extraordinary—the evidence is not about that—given that much of the consultation on mental health reconfiguration started in 2006.

What I found from the surveys of GPs was absolutely clear. Although they were happy with the performance of the community mental health teams and the out-patient service that people were getting, and they were happy with settled and stable treatment in the community—many of them were very impressed by it—they were deeply worried by what was available for patients in crisis and for constituents who needed urgent referral. They found that, for people using the helpline or in serious mental difficulties, the service just was not there. There was a real gulf between what the mental health trust thought it was delivering and the experience of GPs and my constituents of what was delivered.

I have some real concerns that the closure plan trailed for Avondale unit is far too premature. At the very least, it does not take into account some of the changes to the primary care trusts and commissioning that might happen in the next few months or by next year, when the PCTs are abolished and GPs might want to use Preston capacity rather than that in Chorley. The mental health trust has not done anything like enough to answer constituents' questions about what will be put in Avondale's place, and how people will travel to it. The trust has talked about a shuttle but, frankly, that is not good enough.

Having visited both Chorley and Avondale, I can say that neither of them is fit for purpose. Chorley is not a great alternative to Avondale. It has had a new lick of paint, but there is nothing significantly better that would

[Mr Ben Wallace]

drive me to say, "Okay, on this occasion, the professionals are right. The facilities are better." They are not; they are not outstanding. There is very little room for people to go out and walk and come to terms with some of the illnesses that they are suffering. That needs a lot more work.

In a submission to the latest consultation, I asked the trust to delay the proposal and to go back, fill that gap and ensure a seamless service for urgent referral, community care and in-patient care. Until it does that, the proposal should not be rushed through. It is very important that we ensure that the NHS reforms that the coalition Government are putting into place come to fruition and, at the same time, that patients are given the out-patient crisis support and referrals that the GPs are demanding. We also need to address GPs' concerns. Once that is done, we will all be in a position to make a proper assessment of what is right.

However, we should not forget that Preston is a major city in Lancashire and the north-west, as the hon. Gentleman said, with a large hospital in my constituency. It would be wrong just to abandon in-patient capacity in that part of Lancashire without really thinking through the strategic impact on in-patient facilities throughout the county, and perhaps even in neighbouring counties. There are lots of black holes in Lancashire, so we must not let that happen. Let us proceed on the basis of evidence. We are not talking about a cuts-driven Government agenda. The trust has got a lot of things wrong, and it is the trust that must address them. That is what I am pressing for, and it is also why the closure of Avondale must not be proceeded with until those things at the very least have been sorted. I would like us to reconsider where the best place is in Lancashire for in-patient care.

12 midnight

The Minister of State, Department of Health (Paul Burstow): I congratulate the hon. Member for Preston (Mark Hendrick) on securing this debate. On the many occasions during my 13 years in the House that I have secured these Adjournment debates, I have always taken the view that one should see them as an opportunity to present a case, not to try to score party political points. There are plenty of other opportunities to do that. Indeed, my hon. Friend the Member for Wyre and Preston North (Mr Wallace) perhaps demonstrated the way in which a case can be made without scoring cheap points.

There are also some points that I would like to spend some time making. In my view, the hon. Gentleman's comments about students being under pressure and his suggestion that this causes them to rely on mental health services were deeply stigmatising and really unhelpful in trying to promote a sense of mental health and well-being. He does students a disservice by portraying them in that light. The suggestion has also been made that there is some sort of hidden agenda. Well, if there is a hidden agenda, let us be clear that this issue goes back to 2006. The work done then—which resulted in the plans that we are discussing, including the proposals for Avondale—came out of a set of principles in a national service framework for mental health that was drawn up by a Government of whom the hon. Gentleman was a member. That prompts some questions about quite where his attention ought to be focused now and where it ought to have been focused in the past.

Mark Hendrick: I will indeed make reference to the 2006 consultation and the report that came afterwards. It recommended that new facilities be built, but as I said, those facilities are very unlikely to be built, because of the financial pressures created by the Government's cuts. On the one site there is only planning permission, and on the other two sites there is no sign of any building or any commissioning of building yet to take place.

On the question of students, many are indeed suffering great deals of stress and worry about debt. There are cases up and down the country of students who have committed suicide or who are suffering from mental illness as a result of stresses associated with debt, worries about exams, and pressure from parents and society. It is glib of the Minister to dismiss that in the way that he has.

Paul Burstow: The hon. Gentleman's contribution may well have been glib; my concern is about stigmatising people and creating even more concern about mental health problems.

The 2006 consultation looked at strengthening community-based services, in order to reduce reliance on acute hospital care, as well as phased closures of 15 facilities over a number of years, as demand reduces owing to other measures. They were to be replaced by a smaller number of purpose-built units, which I will talk about in a moment. Lancashire primary care trusts spend £23 million a year on community-based mental health services—an increase of 46% since the 2006 consultation, which has resulted in spending per head that is higher than the average for England. Just 4% of service users now need in-patient care in Lancashire, and many facilities are significantly underused as a result.

Many existing in-patient facilities are not fit for purpose—dormitories rather than single rooms; problems separating male and female sleeping areas; no outside space; privacy compromised. Indeed, my hon. Friend the Member for Wyre and Preston North made a case about some of those facilities in his speech. The PCT has plans for four new purpose-built units, the first of which, at Whyndyke farm, is due to open in 2013. The PCT assures me that plans to develop the Ribbleton hospital site are proceeding.

The hon. Member for Preston mentioned concerns about beds. I am assured by the PCT that the closure of facilities has been carefully phased to ensure sufficient capacity. I have looked at the figures, and I have been told that there is an average of 35 spare beds across Lancashire. I shall take no lectures from the hon. Gentleman on the use of taxpayers' money to get the best possible results for patients, but it hardly makes sense to have an excess of supply of beds such as we are seeing in Lancashire. Indeed, only last week, the King's Fund demonstrated that better outcomes could be achieved through effective use of resources.

Mark Hendrick: Will the Minister give way?

Paul Burstow: I will in a moment.

That is why we believe that the proposals make sense, and simply to talk about a potential mental health beds crisis is unnecessary scaremongering.

Mark Hendrick: This is far from scaremongering. People are committing suicide in Lancashire, and people are being turned away because of a lack of beds. People come to my surgeries who are suffering from stress and mental illness, or who are caring for someone who is trying to get into the Avondale unit. The Minister mentioned the 36 spare beds, but that is the figure across the whole of Lancashire. The occupancy rates across Lancashire range from 85% to 90%, which are rates that any hotel would be proud of.

Paul Burstow: It is important that the changes that are resulting from the consultation in 2006 are properly implemented, that they are led by clinical evidence, that they take account of legitimate public concerns, and that they involve appropriate scrutiny. That is why I have asked questions about the nature of the consultation that took place in 2006. More than 115,000 consultation documents were sent out, 74 public meetings and events took place, and independent evaluation by Salford university found that the engagement process was robust and comprehensive. All Members of Parliament, including the hon. Gentleman, were sent the consultation documents and offered briefings by the chair of the primary care trust's joint committee. However, the only MPs to respond were the hon. Member for West Lancashire (Rosie Cooper) and the former Member for Fylde. I am surprised that the hon. Gentleman appears to have come late to this issue. I understand that he started to get interested in it only earlier this year. I must question why he did not pursue it when it was being consulted on in 2006, when he might have had an opportunity to shape the proposals a little more than he has so far.

Mark Hendrick: Will the Minister give way?

Paul Burstow: In a moment.

When the proposals went to the Lancashire joint overview and scrutiny committee, which was formed in 2006 to consider the proposals, it was committed to ensuring that there was proper engagement. It took the view that there had been significant engagement around these proposals.

Mark Hendrick: I want to address two of the points that the Minister has made. First, we were happy with the consultation that took place in 2006, and with the report. Now, however, the NHS trust is reneging on that report, because it will not have the necessary resources—and, in my view, it does not have the determination—to complete the new units that were promised. On the Minister's point about not contributing to the consultation or making any objections, we were perfectly happy to see the Ribbleton Hall site extended and improved to accommodate extra beds, but at the moment there is no sign that the extra beds will go there. Until the new facilities are built, I see no logic in closing the Avondale unit, or any other facilities.

Paul Burstow: I have just given an indication of the PCT's position in respect of Ribbleton Hall. The PCT is in the process of conducting a further review of the proposals and has produced a revised case for change. That explores the overall clinical model, but does not alter any plans for specific site closures. It does revise the case, which is supported by GP commissioners. I will, however, make sure that the points that both hon. Members have raised in the debate are passed to the PCT, so that it is aware of their ongoing concerns.

The hon. Member for Preston also talked about a city the size of Preston having the right to be consulted. It is worth bearing in mind that, while the city council raised its concerns in August this year, and objected to the closure of Avondale ward, Preston councillors who were sent the original consultation—just like everyone else in Lancashire—and invited to offer feedback and comments about the proposals, did not offer a response, yet the proposals in 2006 included the proposal about Avondale.

I am of course aware of the petition that the hon. Gentleman has mentioned, but I do not think that his presentation of the case has helped his constituents advance this matter at all. He has been stigmatising in some of his remarks about mental health, and I think it is important to value community-based care. It is essential that we see continuing developments in that regard. There is clear evidence that it leads to better clinical outcomes for patients, and the NHS in Lancashire should be congratulated on its strong record of investing in community services.

Changes to acute mental health services, including the closure of outdated facilities, are a necessary part of the local NHS's strategy for mental health and are necessary to deliver better results and better value for money as well. It is the right approach, delivered in the right way with proper engagement and careful management of available beds, to deliver better results for people in this area of health care.

I have listened carefully and I will make sure that the hon. Gentleman's representations are fed back to the primary care trust and other NHS organisations concerned. I am sure that he will continue to make these points, and we will continue to improve mental health services, as this Government are determined to do. We entirely reject the notion that there is in any way an agenda of cuts and closures driven by this Government. These initiatives started under the previous Government. They were about improving services then, and they are about improving services now. That is what this Government will deliver.

Question put and agreed to.

12.11 am

House adjourned.

House of Commons

Thursday 9 December 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked

Rural Payments Agency

1. **Greg Mulholland** (Leeds North West) (LD): What progress her Department has made on increasing the efficiency and reliability of the Rural Payments Agency. [29438]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The agency is implementing the key recommendations from the independent review of the organisation, which was published on 20 July. That involves six priority projects designed to improve customers' experience, establish an efficient operation and make essential preparations for the expected 2013 CAP reforms. Progress is being closely monitored by the RPA oversight board, which I chair.

Greg Mulholland: I thank the Minister for that answer and for attending the sustainability event the other evening. He is well aware of the chaos in the past few years with the single payment scheme system, and the Rural Payments Agency's inability to pay farmers promptly—three alone in the Arthington area of my constituency. Can he please give an assessment of the Rural Payments Agency's ability to carry that out and sort out the mess?

Mr Paice: I am grateful to my hon. Friend. As the House knows, there have been some dreadful performances by the RPA in years gone by, and they have not yet all been eliminated. There are still some long-standing cases, which we are trying to work through. We will do that as soon as possible. The board is making arrangements to speed up that process, but I am happy to tell my hon. Friend and the rest of the House that between 1 December, when the payment window started, and 3 December some 83,300 farmers were sent their single farm payment in those first three days—that is 79% of all claimants by volume. It is ahead of last year's achievements, despite all the problems of mapping changes.

Educational Access Programme

2. **Mr Mark Spencer** (Sherwood) (Con): What recent representations she has received on her Department's funding for the educational access programme. [29439]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The countryside provides a wonderful learning environment and many organisations do valuable work. My Department will continue to provide funding for educational access through existing agri-environment agreements and through capital payments under new higher level stewardship—HLS—agreements. We are also investigating ways of encouraging the continued provision of educational access, and of addressing the barriers that currently exist.

Mr Spencer: I am very grateful for that answer—I am delighted to hear it. I hope the Minister agrees that my constituents John and Kathy Charles-Jones, who provide access to farms for schoolchildren, do an excellent job of showing the next generation how technology and high levels of animal welfare are playing a big part in food production for the nation.

Richard Benyon: I and my ministerial colleagues are passionate about getting more people in this country to understand how our food gets from field to fork. We are impressed with the work that so many farmers, charities and other organisations do. We are listening to representations that several organisations are making to us. We want to see whether we can expand what goes on in the next phase of HLS schemes, to secure the capital payments and to work out ways we can eliminate some of the barriers to encouraging schools to get on to farms. That can include changing health and safety provision.

Flood Defences

3. **Toby Perkins** (Chesterfield) (Lab): Which planned flood defence schemes will not proceed as a result of her Department's planned reduction in expenditure on flood defences. [29440]

18. **Karl Turner** (Kingston upon Hull East) (Lab): Which planned flood defence schemes will not proceed as a result of her Department's planned reduction in expenditure on flood defences. [29455]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I am sorry to have to tell the House some sad news. A member of Environment Agency staff was tragically killed yesterday in an accident. I hope the whole House will join me in extending our condolences to his family at this difficult time.

No schemes have been cancelled as a result of the spending review. Schemes already under construction or under contract will be completed. The Department has launched a consultation on how national funding should be allocated to flood protection schemes in future.

Toby Perkins: May I associate myself with the Secretary of State's remarks a moment ago?

In Chesterfield in 2007, more than 500 homes were flooded and it was expected, from DEFRA's previous statement, that 145,000 homes across the country would be removed from flood risk by 2011. I understand that the date has now been moved back to 2015. Does the Secretary of State recognise that the reduction in funding

for flood defences and the removal of those homes from that earlier expectation flies in the face of the comments that she and her party made in opposition?

Mrs Spelman: With respect, I think the hon. Gentleman is confused about the figures. The Chancellor in fact gave the figure of 145,000 homes as a minimum to be protected during the spending review period—there was never any suggestion that that would happen by 2011.

I know that the hon. Gentleman has constituents in Chesterfield who are flood-affected. The Environment Agency is currently proceeding with the Avenue coking works remediation project, which is under construction. That should help to provide protection to more than 100 properties in his constituency.

Karl Turner: One key recommendation of the Pitt review was that the Government should increase spending on flood defences by more than inflation year on year. With the Government's 27% cuts to flood defence budgets, have they turned their backs on communities such as mine in Hull East, which is still suffering very badly from the effects of the 2007 floods?

Mrs Spelman: Sir Michael Pitt's review, which was commissioned by the hon. Gentleman's party when it was in government, says that we

"should not simply assume that the costs of flood risk management will be met centrally... The Government should develop a scheme which allows and encourages local communities to invest in flood risk management"

schemes. The Government have launched a consultation on payment for outcomes, which will help to provide more flood defences to more communities in future.

Miss Anne McIntosh (Thirsk and Malton) (Con): May I join the Secretary of State in expressing my condolences to the family of the Environment Agency member of staff who tragically lost his life? I pay tribute to all those who put themselves in harm's way in the event of floods. All who serve on the Environment, Food and Rural Affairs Committee would like to record our appreciation of their work.

I congratulate the Secretary of State on protecting capital expenditure. However, I am concerned to ensure that work will continue on maintaining watercourses and that more work will be done, because that too can protect from floods. May I draw her attention to the fact that the statement of principles may well not be reviewed in 2013? Is she alarmed by that development?

Mrs Spelman: My hon. Friend is right, as Chair of the Environment, Food and Rural Affairs Committee, to record the Committee's sympathy for the EA staff member.

DEFRA is expected to spend £2.1 billion over the period of the spending review on flooding—half will go on maintenance, and the other half on capital—so I am confident that we can maintain our flood defences. The Association of British Insurers has warmly welcomed the proposals under the payment for outcomes scheme. That will assist us in renegotiating the statement of principles.

Anne Marie Morris (Newton Abbot) (Con): I have mentioned the Teignmouth flood defence scheme to the ministerial team on a number of occasions. May we have an update? Will funding be made available for those very important works?

Mrs Spelman: I cannot comment on individual projects ahead of Environment Agency decisions, which it has said it will make after the end of the consultation period on payment for outcomes, which concludes on 16 February. However, my hon. Friend's concern about flooding in her constituency is taken very seriously by all of us.

Mr Jamie Reed (Copeland) (Lab): All on this side of the House share the condolences expressed by the Secretary of State for the Environment Agency worker who sadly lost their life.

I am afraid that the confusion mentioned by the Secretary of State is on the Government's part. DEFRA's 2009 report stated that 145,000 homes would be protected from flooding by March 2011. They have abandoned that aim because of huge cuts to the EA's flood defence budget—27% next year—and instead now hope to protect the same number of homes by 2015, two years after the current agreement with the insurance industry expires. That deliberate choice to delay will cause widespread anxiety and uncertainty for homeowners, businesses and local authorities up and down the country. The Government should now be honest with the country: either they know which flood defence schemes will be abandoned and are aware of the consequences of those cuts, or the cuts are indiscriminate, and the consequences are not understood. Does the Secretary of State know which schemes will be abandoned—yes or no?

Mrs Spelman: I just said in answer to the previous question that the Environment Agency would make decisions on all pending schemes after the close of the consultation on 16 February. As regards the figure that Opposition Members keep quoting, at no point has the figure of 145,000 properties receiving more protection ever been attributed to a time any sooner than 2015, the end of the spending review period. It would be inappropriate to compare spending levels with those of the previous Government, because Labour has failed to say how it would have accommodated the 50% cut in capital that the previous Chancellor had committed it to.

Primates

4. **Mark Pritchard** (The Wrekin) (Con): If she will bring forward proposals to prohibit the sale of primates as pets. [29441]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The Government do not encourage the keeping of primates as pets, but a code of practice for the welfare of privately kept non-human primates lays down robust guidance for primate owners and keepers. Failure to follow that code would put the owner at risk of prosecution under the Animal Welfare Act 2006.

Mark Pritchard: I am grateful to my hon. Friend for that response, but self-regulation is not working. There are currently 5,000 primates kept as pets in the United Kingdom, many of them in cruel and cramped conditions.

It is hard to believe that in the 21st century the party of Wilberforce, who apart from abolishing slavery set up the Society for the Prevention of Cruelty to Animals, and the coalition Government are not doing more to end that barbaric and outdated practice.

Mr Paice: I pay tribute to my hon. Friend for his determination on this subject and his rightful concern about animal welfare. I must point out that his figure of 5,000 is at the top end of the estimate. We do not know how many there are, but the estimate is between 1,200 and 5,000. If, as he says, many of them are being kept in cruel circumstances, that is not a matter for self-regulation; it is an offence under the Animal Welfare Act. If he or anybody else knows of primates being kept in what they believe to be cruel conditions, the owners are almost certainly in breach of providing the five freedoms, which is an offence.

Caroline Lucas (Brighton, Pavilion) (Green): What discussions has the Minister had with counterparts in the Home Office on measures to ensure that primates that are brought into the UK for sale as pets are not caught in the wild and then diverted and used for research purposes in particular?

Mr Paice: I am very glad that the hon. Lady has asked me that question, because I asked it of myself yesterday when I was going through the information. In reality, primates are not coming in from the wild. I understand that only one animal in the past decade is believed to have been wild-caught and then brought into this country. Of course, they are all covered by the convention on international trade in endangered species anyway, so there are restrictions in place. Anyone wishing to import a primate into this country has to have a licence, and there are very strict conditions. I am happy to write to the hon. Lady if she would like to know about them.

Broadband

5. **Mr Philip Hollobone** (Kettering) (Con): What discussions she has had with the Secretary of State for Business, Innovation and Skills on the roll-out of superfast broadband in rural areas. [29442]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The Secretary of State and I are in regular contact with our ministerial colleagues at the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport on this important matter. As a member of the ministerial group on broadband, I speak regularly with Ministers in those Departments on the key issues, including the rural superfast broadband pilots announced on 21 October and the national broadband strategy "Britain's Superfast Broadband Future", published on 6 December.

Mr Hollobone: The Kettering borough rural forum, which represents residents in all 22 villages in the borough, has contacted me to say that it is unhappy about slow rural broadband speeds, and about Kettering's apparent exclusion from the Government's attempt to tackle the problem and from the 160 locations announced by BT. Will my hon. Friend do all he can to help residents in the rural parts of Kettering borough address the issue?

Richard Benyon: I am very keen to help the constituents of my hon. Friend and other hon. Members, particularly in rural areas, who will benefit massively from the very good sum of money that we have announced—£530 million over this spending review period, increasing to £830 million in the two years after that. That will mean that constituents such as his will have the means not just to improve the quality of their lives but to run businesses and employ people. It will change the environment, and I can assure him that the disappointment of his constituents will soon be addressed as we start rolling out the hubs from which superfast broadband will operate. There is an enormous sum of money for a very ambitious project right across government, and I hope he will notice the difference very soon.

Mr Gregory Campbell (East Londonderry) (DUP): When the Minister is in discussions with providers, will he make representations on behalf of people in rural areas who are complaining to me—and, I am sure, to many other hon. Members—that they keep seeing advertisements indicating significant broadband speeds, but that they can very seldom, if ever, get those speeds? Will he ensure that those companies' advertisements are more accurate?

Richard Benyon: It is important that providers are accurate and that the Government give the lead in ensuring that what people are told is within the realms of reality. The first paragraph of the executive summary of "Britain's Superfast Broadband Future" states:

> "Rural and remote areas of the country should benefit from this infrastructure upgrade at the same time as more populated areas, ensuring that an acceptable level of broadband is delivered to those parts of the country that are currently excluded."

That is our intention. We intend to carry those providers with us and to deliver for the hon. Gentleman's constituents and others in rural areas.

Dog Control Notices

6. **Angie Bray** (Ealing Central and Acton) (Con): What her policy is on issuing dog control notices on private property. [29443]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): As I think my hon. Friend is aware, a proposal to issue dog control notices on private land was included in the dangerous dog consultation, the responses to which we have now published. The Department will respond to the issues raised in the consultation, including wider matters, and will make an announcement about the Government's approach in the new year.

Angie Bray: I thank the Minister for his answer. As he will be aware, the vast majority of those who responded to the consultation expressed opposition to the idea of dog control notices on private land. However, does he agree that we need to find a way of protecting workers, such as postal workers, who have to access private land to carry out their official duties?

Mr Paice: The answer has to be yes. Of course we feel responsible for public service workers who, to a degree, put themselves at risk from dogs on private property. I cannot prejudge the outcome of the discussions, but I can tell my hon. Friend that what is important is that, since the end of the consultation, the Home Office has announced a review of all antisocial behaviour tools. DEFRA is represented on that working group, which is reviewing all antisocial issues, including the law on dogs.

Kelvin Hopkins (Luton North) (Lab): I am sure I am not the only Member who has been bitten by a dog while election campaigning. More importantly, several of my constituents have also been bitten or had their dogs bitten by aggressive dogs. It is clear that dogs are being bred and kept for aggressive purposes. The Government have to get that under control. I suggest to the Minister that we need compulsory licensing, chipping and muzzling of dogs, especially for those known to be aggressive.

Mr Paice: In my experience, most letter boxes are dangerous enough on their own without the dog behind them. However, I understand the hon. Gentleman's point entirely—this is a serious issue. I can only repeat that we have been out to consultation, and that the results of that consultation, including the most popular outcomes, are all on the website. The Government are considering the matter now and, as I said, are working with the Home Office, and will make an announcement shortly after Christmas.

Pitt Review

7. **Stephen Gilbert** (St Austell and Newquay) (LD): What progress her Department has made on implementation of the recommendations of the Pitt review on lessons learned from the 2007 floods on levels of flood protection for homes. [29444]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Good progress has been made on taking forward the Pitt review recommendations. We are implementing the Flood and Water Management Act 2010 and have recently launched a consultation on our national strategy. We published the national flood emergency framework in July, and held a response exercise last month to launch preparations for Exercise Watermark, which will test responses to severe wide-area flooding in March next year.

Stephen Gilbert: I welcome the Secretary of State's reply and was delighted to welcome her to Cornwall so that she could see for herself the recent flooding in my constituency and that of my hon. Friend the Member for South East Cornwall (Sheryll Murray). One of the lessons we have learned is that the Met Office gave a warning at 10.30 pm of an 80% chance of flooding some six hours before homes were affected and businesses destroyed, but that warning was never passed on to residents. Will she agree to meet me to discuss how we can improve early warnings?

Mrs Spelman: I commend my hon. Friend's work in helping with the ongoing recovery in his constituency. I am sure that hon. Members will appreciate that it is hard to predict surface water flooding events. In the afternoon of that event, there was only a 20% risk of severe flooding, but by 10.30 pm, when most people are in bed and asleep, it had increased to an 80% risk. One lesson learned from previous flooding incidents is that flood wardens, who can knock on doors and alert, in particular, vulnerable members of the community of the increased risk, can assist a community's resilience.

Lisa Nandy (Wigan) (Lab): Simon Douglas, the director of AA Insurance, was quoted in the *Evening Standard* as saying that "inadequate spending" on flood defences would

"leave thousands of homes uninsurable and thus un-mortgageable."

What help will the Government offer to the thousands of people who will find themselves in that situation?

Mrs Spelman: I refer the hon. Lady to my earlier answer about the warm welcome that the Association of British Insurers has given to the payment for outcomes approach, which, as the ABI chairman made clear, is what Pitt called for, what the ABI has been calling for and what the communities that would like to build greater resilience have also been calling for. I am sure that it will assist those at risk of flooding.

Rural Impact (CSR)

8. **Susan Elan Jones** (Clwyd South) (Lab): When she plans to publish a rural impact assessment in respect of the comprehensive spending review. [29445]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): My Department is the rural champion in government, and we are working with other Departments as they develop their policies following the spending review. Those policies are the responsibility of individual Departments, but DEFRA will work with them to inform a policy statement in the new year, setting out this Government's commitment to rural people, and our approach to promoting and supporting their needs.

Susan Elan Jones: I am grateful to the Secretary of State for her answer, but will she home in a little and give me one concrete example of something that DEFRA has done in this area?

Mrs Spelman: DEFRA is continually active in rural-proofing all policy that comes through, and hon. Members who have served in government will know that any Cabinet Minister has that function within their Department through DEFRA. The allocations have not yet been made, so the individual working out of the spending allocations has not been achieved. Let us consider, for example, the impact that DEFRA has had, working with the Department for Culture, Media and Sport, in achieving a roll-of out superfast broadband in four rural pilot areas.

Mr James Gray (North Wiltshire) (Con): The Department is facing deep cuts—34% in capital and 28%, I think, in current costs—thanks to the appalling profligacy of the previous Government. Does the Secretary of State agree that vital to our countryside is the maintenance of environmental schemes on our farms? We have got to preserve biodiversity and a higher level

of environmental conditions in our countryside. I hope that she will be able to reassure the House today that despite the cuts, she will be determined to ensure that that still happens.

Mrs Spelman: I am delighted to be able to draw my hon. Friend's attention to the fact that we anticipate an 80% increase in higher level stewardship schemes, notwithstanding the need for DEFRA to make a contribution to addressing the budget deficit that we inherited from the previous Government.

Mr William Bain (Glasgow North East) (Lab): We had expected the publication of the rural impact assessment, but I am afraid that all we got was more weak excuses for the Secretary of State's failure to produce it. If she is having trouble completing her own assessment, will she at least back the findings of last month's report on rural poverty by the Commission for Rural Communities—soon to be scrapped by her Department—which found a lack of proper business support provided to farmers by the Government, poorer access to welfare services in the countryside and a quarter of farming households living below the poverty line, under the first Government since 1926 to try to remove employment protection from agricultural workers? Is not the reality that this is a spending review that slashes investment from rural bus services and social housing, from a Government who are indifferent to the greater inequality that their policies will cause in rural Britain?

Mrs Spelman: Oh dear. I think that constitutes a serious own-goal. The hon. Gentleman should surely be aware that the data that the Commission for Rural Communities was using to make its assessment relate to the period when his party was in government.

Mr Gray: Get back to jockland.

Hon. Members: Point of order?

Regulatory Burden (Farmers)

9. **Nadhim Zahawi** (Stratford-on-Avon) (Con): What recent progress her Department has made on reducing the burden of regulation on farmers. [29446]

16. **Alun Cairns** (Vale of Glamorgan) (Con): What recent progress her Department has made on reducing the burden of regulation on farmers. [29453]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): One of my first actions was to appoint Richard Macdonald to lead a taskforce to identify ways of reducing the regulatory burden on farmers. The taskforce recently completed a public consultation and will make recommendations to the Government by April next year. I hope that it will bring about a change in culture in implementing our regulations, while at the same time maintaining standards.

Nadhim Zahawi: I thank the Minister for that reply. Farmers in Stratford-on-Avon will welcome the Government's commitment to the industry-led review of regulation. Can he give farmers a time frame for the review, so that they can begin to enjoy a regime that makes it easier for them to produce the food that we eat and care for the countryside that we all cherish?

Mr Paice: I am grateful to my hon. Friend, as he and many others are championing the cause of reducing regulation in our rural areas. As I said, the taskforce will report to the Government in early April 2011, and we will then have to see how to take it forward. I cannot be absolutely precise about the time scales, but I would like to take this opportunity to say that this is not about reducing standards, but about reducing the burden of process that has become so prevalent over recent years. We have seen an obsession with process, whereas we need to move much more towards making a judgment on outcomes.

Alun Cairns: DEFRA has had a better regulation agenda for many years, but few, if any, farmers have seen any tangible benefit from the reduction in bureaucracy and red tape. What reassurance can the Minister give that the current review will lead to real benefits for farmers in my constituency and elsewhere?

Mr Paice: The reassurance I can give is simply this. When we were in opposition, seeing how the previous Government made noises about reducing regulation but never did it convinced me that we had to find a new way. It is not just a question of abolishing regulations—although if they can be abolished, they should be—but how we implement and enforce them. We have become obsessed with requiring farmers to fill in countless forms, tick loads of boxes and read legions of guidance notes when what really matters is whether the benefit expected from the regulation is achieved. That is what we have to focus on now.

Jim Shannon (Strangford) (DUP): I thank the Minister for his responses. One big concern of many farmers and landowners over the years has been about red tape, particularly filling in grant forms such as for, among other things, single farm payments. Sometimes they inadvertently fail to tick a box. Can we have some flexibility in the system to ensure that those who qualify for the grants get them and do not lose out because of one small mistake?

Mr Paice: The hon. Member puts his finger on an extremely important point. I have studied many cases in which farmers have been penalised because, as he said, they omitted to put a figure in a particular box or something like that. Although I have pushed back hard on this front, we are unfortunately constrained very much by the European Commission's Court of Auditors, which is very robust. The disallowances are completely out of proportion. We are working with the Commission, and I have chased up these matters with it to try to get a more proportionate sense of penalty. Hopefully, we will then be able to move forward.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): One key issue repeatedly raised with me by farmers is cross-compliance and the heavy penalties they face for minor infringements that are of no material consequence whatever. Does the Minister share my view that these penalties are out of all proportion? Will he raise this issue with the Commission as a matter of urgency?

Mr Paice: Yes, I entirely share the view that these penalties are out of all proportion. I have raised this with the Commission and, more importantly, I and

many other Ministers of Agriculture have raised it in the context of the review of the common agricultural policy, which has just commenced. We have firmly expressed to the Commission our view that the next system of CAP support must be simpler, both for individual farmers and for member states to implement.

Andrew George (St Ives) (LD): Having met Richard Macdonald, I am confident that he will undertake a thorough and comprehensive review of the regulatory burden on farmers. When he reports, will my hon. Friend ensure that he receives support from other Government Departments and that that these matters are discussed, if necessary, with the European Union as well?

Mr Paice: I can assure my hon. Friend that I am in close contact with the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), and, as I said in answer to an earlier question, with the relevant Commissioners across Europe. We are determined that if this industry is to flourish and succeed in the face of increasing world demand for food over the next decades, it must be freed up from unnecessary burdens of regulation.

Tree Planting

10. **John Robertson** (Glasgow North West) (Lab): What representations she has received on her Department's plans for its project to plant 1 million trees in the next four years. [29447]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Thus far, DEFRA has received around 100 e-mails from local authorities and community groups seeking information on or expressing an interest in the big tree plant campaign and a small number of letters from other individuals and organisations.

John Robertson: How much of the money received through privatisation will be spent in the areas of planted trees? How much of it will be spent north of the border, particularly in Glasgow?

Mrs Spelman: With respect, the question is about the big tree plant campaign, a partnership campaign that DEFRA will support with £4 million of public money. The campaign is being run in conjunction with a large number of partners and charities, including Groundwork, Keep Britain Tidy, the Tree Council and the National Forest Company. In every sense, it is a big society campaign.

Sir Peter Soulsby (Leicester South) (Lab): Two hundred and fifty thousand a year sounds like a lot of trees, but not when compared with the estimated 250 million trees—1,000 times as many—owned by the Forestry Commission in England, much of which the Government are intent on selling off and putting at risk. Will the Secretary of State tell us what she will say to the Chief Secretary to the Treasury, who is actively campaigning against proposals to dispose of a similar proportion of Forestry Commission land in Scotland—a sale of trees that Lib Dems have described as "hugely flawed" and as a "money-making scam"?

Mrs Spelman: Let me say a couple of things in response to that. With the 250,000 trees a year planted as part of the big tree plant campaign, the challenge is that the majority will be in urban areas, particularly in deprived communities, so significant plantings in those areas will benefit those communities. As for the Forestry Commission, I suggest that the hon. Gentleman, rather than reading the newspapers as a guide to Government policy, should adopt the better-informed approach of waiting for the launch of the consultation proposals, which I have discussed closely and successfully with the Chief Secretary to the Treasury.

Common Fisheries Policy

11. **Peter Aldous** (Waveney) (Con): What recent discussions her Department has had on reform of the common fisheries policy; and if she will make a statement. [29448]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): As UK fisheries Minister, I have had discussions with a range of organisations and people about common fisheries policy reform, including discussions with the EU Fisheries Commissioner and other member states' Ministers during November's EU Agriculture and Fisheries Council. I have also met representatives of the fishing industry—both the large-scale and under-10-metre sector—MEPs and non-governmental organisations. I plan to have further discussions in pressing our case for radical reform of the CFP.

Peter Aldous: I thank the Minister for that reply, and for meeting a delegation of Lowestoft fishermen last week. I wish him well in his negotiations at next week's Council of Ministers meeting. The future of fishermen and communities all around Britain depends on a successful outcome. Will the Minister confirm that in the review of the CFP, his priorities will include a fair deal for the under-10-metre fleet and the elimination of discards?

Richard Benyon: I am grateful to my hon. Friend for his good wishes for next week's negotiations, and I confirm that the UK is committed to genuine fundamental reform—to achieving healthy fish stocks, a prosperous fishing industry and a healthy marine environment. Part of that agenda is to ensure that we have regionalised decision making and an end to the top-down failure of the current common fisheries policy, and that we give fishermen a stake in the long-term health of fish stocks. That involves those in the under-10-metre sector; I am deeply mindful of the problems that they have faced in recent years, and I want to give them and the communities that they support a long-term future under a reformed CFP.

Ms Margaret Ritchie (South Down) (SDLP): As I represent two fishing ports in Northern Ireland, may I ask the Minister what further progress has been made towards regionalisation?

Richard Benyon: I am grateful to the hon. Lady and to other Northern Ireland Members who have been forceful in putting the case for the fishing communities that they represent. I recognise that they, like many other areas of the country, are affected by an industry in crisis. Our immediate attempts will be to secure for

them adequate fish stocks to exploit over the coming year. However, I put on record my determination that they should not continue to live from hand to mouth. As someone who has been in business, I do not know how fishermen can deal with a bank manager when they do not know what they will be able to achieve in three, four or five months' time. I want to give them a longer-term future, in which they can be part of the solution, rather than being constantly browbeaten by an overbearing and multi-layered regulatory system.

Mr Speaker: I am extremely grateful to the Minister, but may I remind those on the Treasury Bench that there are a lot of questions to get through, and that a little economy is needed in their answers?

Biodiversity

12. **Andrew Rosindell** (Romford) (Con): What recent steps her Department has taken to maintain the level of biodiversity. [29449]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): We will act on agreements reached at the successful biodiversity conference in Nagoya through a new biodiversity strategy for England, which will be published alongside the natural environment White Paper in the spring.

Andrew Rosindell: Will the Secretary of State outline the Government's policies on the protection of biodiversity in our 16 British overseas territories? In particular, will she tell us what the Government are doing to protect the biodiversity of the Henderson island, one of the Pitcairn Islands, where an appalling rat infestation has caused 25,000 chicks to be killed every year?

Mrs Spelman: I think that everyone in the House is well aware of my hon. Friend's concern about, and interest in, the overseas territories. I am delighted to be able to tell him that while attending the biodiversity conference, and the day before, I was able to announce additional spending under the Darwin initiative and, specifically, help with the protection of the Henderson petrel.

Nocton Dairies

13. **Bob Blackman** (Harrow East) (Con): What representations she has received on the proposed provision of a super-dairy in Lincolnshire by Nocton Dairies; and if she will make a statement. [29450]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I have received numerous letters on this subject from animal welfare organisations, Members of Parliament and individual members of the public. I recently met a group of Members and others to discuss their concerns. However, I must emphasise that the proposal is for planning consent, on which I cannot comment.

Bob Blackman: Animal welfare organisations, dairy farmers and all who care about natural food in this country rightly fear that this is the thin end of a very thick wedge, with the potential for activities such as those that go on in California. What action will the Minister take to ensure that that does not happen?

Mr Paice: I readily understand that the idea of mega-dairies creates strong emotions, although I cannot talk about a specific example. I believe, however, that we should be led by the real evidence and the science, which is why DEFRA has commissioned a three-year study at the Scottish agricultural colleges of the issues surrounding mega-dairies. A separate study of the directly related subject of the genetics of high-yielding cows is also taking place. I promise the House that if the outcomes of those studies – we should have the first results towards the end of next year – precipitate the need for action, action will be taken.

Kerry McCarthy (Bristol East) (Lab): When I have raised the subject with the Minister in the past he has made it clear that this is a planning issue, but he has also said that he personally has no objections to mega-dairies. Could there not be a moratorium on the granting of planning applications for big schemes that are in the pipeline, such as Nocton's, until the results of the reviews that he mentioned have been made public?

Mr Paice: I entirely understand the hon. Lady's point, but no Minister in DEFRA has the power to create a moratorium. This is entirely a planning matter, and it is up to the local district council to decide how to respond. I have no powers to stop the development.

Higher Level Stewardship Schemes

14. **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): What recent representations she has received on provision of funding for permissive access routes under higher level stewardship schemes in rural areas. [29451]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): About 3,000 current agri-environment agreements support permissive access, contributing around 3% of the public rights of way network. As part of the spending review, we have looked very closely at how best to maximise the funds that we receive from the European Union for higher level stewardship. Funds will continue to be provided for permissive access under existing HLS agreements, and we will also continue to provide capital payments under new HLS agreements.

Dr Poulter: As the Minister will know, there are 129 higher level stewardship agreements in Suffolk. They help to provide an excellent link between rural and urban communities, and to interest young people in schools in issues relating to agriculture and food. Given the importance of such schemes in Suffolk, will the Minister agree to meet me, along with Suffolk farmers, to establish how we can develop the schemes further in the county?

Richard Benyon: I am always happy to meet my hon. Friend, and farmers in his constituency. We are keen to maximise the use of money from the rural development programme for England. For every pound that we put into biodiversity or environmental works through HLS, we receive £3 from Europe, whereas access is funded entirely through Government spending. That does not mean, however, that there is not an enormous amount that we can to do to encourage the kind of access to

which my hon. Friend has referred. We will secure the capital spending, and we will make further provision to secure access in other parts of the country.

Barry Gardiner (Brent North) (Lab): The loss of primitive access from future HLS schemes will have a very detrimental effect on the improvement of schemes under the Countryside and Rights of Way Act 2000, and various sorts of stiles and benches that are erected in the countryside to provide access for people. How is the Minister going to resolve that, and ensure that the countryside remains open to the entire British population?

Richard Benyon: I can reassure the hon. Gentleman that people will be able to claim for items such as stiles because they are capital items, as are car parks and the provision of access for disabled people. Those claims can still be made, therefore. The hon. Gentleman is a very strong advocate of HLS, and he and many other Members were worried that we might not be able to protect it under the spending review. We have done, however: we are going to increase it by 83%, but we are focused on reversing the decline in biodiversity and helping environmental works on farms. That is why we have taken the decisions that we have.

Insurance Premiums (Flooding)

15. **Diana Johnson** (Kingston upon Hull North) (Lab): What assessment she has made of the effects of proposed changes to her Department's flood defence budget on the level of insurance premiums for homes at risk from flooding. [29452]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): DEFRA is working closely with the insurance industry to maximise the availability of flood insurance cover. We are consulting on changes to the way in which Government funding is allocated to flood and coastal erosion risk management projects. That will help safeguard insurance terms by encouraging increased investment beyond levels that the national taxpayer alone can afford.

Diana Johnson: The insurance market in Hull has been closed since 2007, and unless people had insurance then, they will not be able to get it now. Moreover, for people who can access insurance, premiums have gone up hugely. What does the Minister have to say to my constituents, as even those who currently have insurance are now very concerned that they will not be able to continue to have it in the future?

Richard Benyon: The hon. Lady's constituents, like mine, have suffered greatly from flooding in the past, and what she says is true: there are excess charges and premiums have risen. We have taken forward, from our very successful flood summit, two important working parties with the insurance industry—one on data sharing, so that information on where money has been spent is made available to insurers, and a second on working with the insurance industry so that following the post-2013 statement of principles, there will be an environment in which insurance is still available. The insurance industry will then be able to gear up for a new environment in which specialist brokers can start to help constituents such as the hon. Lady's and mine.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Recognising the challenge of securing insurance in certain parts of the country, I recently met representatives of the Association of British Insurers, and they talked about building design and the fact that electric circuits are at the bottom of buildings rather than in the middle and higher. That is one of the primary reasons why people are out of their homes for months if not years, as opposed to merely needing replacement furniture and so forth. Will the Minister agree to meet the ABI to discuss such building design principles?

Richard Benyon: I have met, and do meet, the ABI, and we do talk about such matters. I need do no more than recommend one of the great legends, Mary Dhonau—[Hon. Members: "Maradona?"] No, Mary Dhonau. She runs the National Flood Forum, and her home has frequently been flooded. The last time she was flooded she made no claim because she had taken precisely the precautions that my hon. Friend mentions. I hope that more households will learn from her experience.

Mary Creagh (Wakefield) (Lab): There was a bit of confusion from the Secretary of State earlier about the figure of 145,000. The figures are in DEFRA's 2009 annual report, and I will happily send the link to the Secretary of State's office so that she can see the delay that the 27% cut has caused.

The Minister says he is consulting on new flood defence proposals. The new system would remove the Environment Agency's role in deciding who gets flood defences, and communities would be expected to pay a flood tax in order to receive central Government funding. Will this new system not disadvantage people from poorer parts of the country who cannot afford a new flood tax?

Richard Benyon: Oh dear—another own goal, I am afraid. The hon. Lady really must read the consultation documents. She will then see, first, that that is one of Sir Michael Pitt's recommendations, which she and her predecessor were very keen the new Government should continue to put into effect, and secondly, that payment for outcomes is not a flood tax. It is not compulsory; it is an additionality, and it provides clarity for communities that for too long have failed to get their schemes above the line. The hon. Lady's point will be very unwelcome if that is her party's future policy, on its blank sheet of paper.

Mary Creagh: One of the key recommendations of the Pitt review was that investment in flood spending should rise above inflation year on year. No matter what dodgy DEFRA maths the Minister tries to put before the House he cannot disguise a 27% cut in flood defence spending. We increased it by 38% over three years—that is the difference. That gave communities and the insurance industry certainty. He has increased the risk that the insurance industry could walk away from universal flood insurance after 2013. He has already mentioned speciality brokers; does he agree that we will need a new statement of principles in 2013 to make sure that flood insurance is universally available?

Richard Benyon: We will certainly need a new relationship with the ABI post-2013, but the hon. Lady must be careful with the numbers that she bandies around before the House. The right hon. Member for Leeds Central

(Hilary Benn) had spoken of 50% cuts in capital for the Department that she now shadows if Labour had been re-elected, and she cannot now decide that that was a pipe dream and was not mentioned. Of course this issue is important: it is about people's homes and flooding. Some 5.2 million homes in this country are at some risk of flooding, and the Government have made this issue a priority. That is why we have protected this budget out of all proportion to other budgets in the difficult round that has been forced on us by the previous Government.

Topical Questions

Mr Speaker: I remind the House that if we are to get down the Order Paper we need short questions and, from Front Benchers, short answers.

T1. [29463] **Andrew Selous** (South West Bedfordshire) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I commend the work of those who volunteered their services during the extreme weather, particularly our farmers. I am sure that hon. Members on both sides of the House will agree that they provided a valuable service to many communities—from clearing snow to transporting midwives. That is a great example of the big society.

Andrew Selous: Will my right hon. Friend give the House a rough idea of the cost of food imported into the country that we are able, and have the capacity, to grow?

Mrs Spelman: In 2009 the UK imported indigenous food—food that could be grown in season in the UK—with a total value of approximately £15 billion. Total imports of food, feed and drink in the same period were valued at £32.5 billion.

Mary Creagh (Wakefield) (Lab): The right hon. Lady's colleague the Minister of State, who has responsibility for forestry, wrote to all MPs in October saying that he would consult the public on the sale of England's forests before the end of the year. We now hear that he has postponed that consultation until the new year—yet in a parliamentary answer to me he revealed that he is busy meeting forestry companies on this very issue. When will the public get their say on the future of England's forests?

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The hon. Lady is getting a bit carried away. The consultation will start in January, and it is perfectly reasonable for us to discuss with experts in the field the possible implications of all the things that we are thinking of doing before we firm up the ideas that we put to the public for consultation. The hon. Lady must be extremely careful on this subject, because we have just discovered that the previous Labour Government sold 12,000 hectares of forest without any form of sustainable protection for any of it.

T2. [29464] **Priti Patel** (Witham) (Con): Essex landowners and farmers contribute £1 million annually to the Environment Agency for sea defence and maintenance work, and they have provided information for the Essex shoreline management plan, but they have not been able to access the committees that have made the decisions and finalised that plan. Will the Minister ensure that in future my local farmers will have access to those committees and be fully integrated in the decision making? Will he also pledge to meet representatives in my constituency?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I am very concerned by what my hon. Friend says. I know that the Environment Agency contributed £25,000 to the "Managing Coastal Change" project led by the National Farmers Union and the Country Land and Business Association. If they are not being listened to as part of the shoreline management process, they should be. I will take every step to ensure that happens.

T6. [29468] **Nick Smith** (Blaenau Gwent) (Lab): I am a keen hill walker, but the Government are selling off England's forests and nature reserves. Why are they selling off those natural assets for a quick buck without getting strong assurances on public rights of way?

Mr Paice: The hon. Gentleman should have listened to earlier answers. We have not announced that we are selling a single hectare yet. [Hon. Members: "Yes, you have!"] We are going out to consultation on that. The Government whom the hon. Gentleman supported, even if he was not a Member then, sold off 12,000 hectares of forest without protecting the access that he talks about. We will make sure—and it will be in the consultation—that whatever we do protects all public benefits.

T3. [29465] **Mary Macleod** (Brentford and Isleworth) (Con): Green spaces and trees are vital in our cities, and I am fortunate that my constituency has many beautiful parks, including Dukes meadows, Gunnersbury park, Osterley park, Boston Manor park, Syon park and Hounslow heath. Can my right hon. Friend tell me what plans the Department has to plant many more trees across the city of London?

Mrs Spelman: I invite my hon. Friend, and encourage her constituents, to participate in the big tree plant campaign, which was launched at the beginning of December and will continue, and for which there are publicly available funds. We will do this in partnership with a number of charities, and I imagine that they have members in her constituency. In participating, she will demonstrate the effectiveness of this big society approach.

T7. [29469] **Jim Sheridan** (Paisley and Renfrewshire North) (Lab): This Con-Dem Government propose to abolish the Agricultural Wages Board—a proposal that even Mrs Thatcher refused to implement. The Prime Minister suggests that because of the minimum wage the AWB is just a quango, but that "quango" covers workers' wages, holidays, sick pay, overtime, standby arrangements and even bereavement leave. Does the Secretary of State agree that it is just a quango?

Mr Paice: The hon. Gentleman should be aware that until the Warwick agreement, when the trade unions forced the Labour party to back down, it was Labour party policy to abolish the Agricultural Wages Board. I

should make the point that agriculture has changed dramatically in the 60 years since the board came into being. The previous Government did not reinstate any of the other wages boards when they had the chance to do so. Instead they instigated the Low Pay Commission, and we believe that that is the right body to manage agricultural wages, as it does everybody else's wages.

T4. [29466] **Simon Hughes** (Bermondsey and Old Southwark) (LD): Following the successful Nagoya conference on biodiversity and against the background of the current very important climate change conference in Cancun, can the Secretary of State tell us how she intends to take forward the protection of biodiversity, both in this country and internationally?

Mrs Spelman: As I said in response to an earlier question, the new biodiversity strategy for England will be published alongside the natural environment White Paper in the spring, to which we have had an astonishingly high number of contributions from the public: there have been in excess of 15,000.

T10. [29472] **Andrew Gwynne** (Denton and Reddish) (Lab): Given the Minister's acknowledgement on Second Reading of the Sustainable Livestock Bill of the serious nature of the deforestation caused by the production of soy for livestock feed, what position will the Government take on reform of the common agricultural policy to reduce UK imports of soy?

Mr Paice: The hon. Gentleman rightly raises an important issue. We want to reduce our dependency on imported protein, but not if that means, in the short term, destroying our domestic livestock industry only to have to import product fed on soya from the very sources we are trying to protect. On the CAP, it is very early days because the Commission has only just published its early proposals. However, I can assure him that agricultural sustainability, in the dramatically changing circumstances foreseen over the next 40 years, is right at the heart of our position. We want to make sure not only that we have money for research to find alternatives to imported soya, but that we can continue to provide for our domestic needs and those elsewhere.

T5. [29467] **Angie Bray** (Ealing Central and Acton) (Con): Does the Secretary of State agree that monitoring agencies such as the Environment Agency need sharper teeth, so that they can step in more forcefully when pollution rises to unacceptable levels, particularly in residential areas such as Horn lane in Acton?

Richard Benyon: I thought that this subject might come up, because my hon. Friend has a debate on it next week, when I look forward to giving her a more detailed reply. The simple answer is yes, we have to make this clearer. There are no secrets here: the data should be available to local communities and I will do everything I can to support her constituents in this regard.

Mr Denis MacShane (Rotherham) (Lab): My constituent, Lisa Boughton, who lives in Catcliffe, which was flooded in 2007, has this year – not in 2008 or 2009 – suddenly been faced by Aviva with a 79% hike in her insurance premium. Will the Department call in Aviva to say that that is an intolerable burden to put on a person of limited means?

Richard Benyon: I entirely understand that, because it is an experience that many hon. Members around the country have had. This is why we have to engage with the ABI and have an arrangement that continues after 2013. I assure the right hon. Gentleman that we are working hard with the ABI to try to ensure that the concerns that he has raised are understood.

T8. [29470] **Greg Hands** (Chelsea and Fulham) (Con): The Secretary of State knows that the Thames tideway tunnel scheme has already seen its costs double from £1.8 billion to £3.6 billion, and that it will cause massive construction disruption along the Thames and add £40 per annum to Thames Water customers' water bills. Can the Minister assure me that the Government have tried to find the best value-for-money solution to sewage discharge in the Thames?

Richard Benyon: I can assure my hon. Friend that we continue to challenge the cost assumptions behind that scheme. It is a massive undertaking, and I can see that it will fall on Thames Water's charge payers, so we want to ensure that if it goes ahead, it goes ahead because it has to, and that the work is done at the best possible price.

Joan Ruddock (Lewisham, Deptford) (Lab): In 2003 my private Member's Bill became the Household Waste Recycling Act, obliging local authorities to introduce doorstep recycling. Local authorities have until the 31st of this month to comply, and I am glad to say that 94% are in compliance. What does the Minister intend to do about the remaining 6%?

Richard Benyon: The right hon. Lady is a great expert in that field, and I pay tribute to her on that issue. It is an absolute priority for our Department, and it is being taken forward as part of the waste review, not only to ensure that the difficult wins are achieved, but to consider how we can continue to encourage local authorities to deal with areas where, on recycling, there is still a long way to go.

T9. [29471] **Julian Smith** (Skipton and Ripon) (Con): At meetings throughout the dales in recent weeks, constituents have complained that the Yorkshire Dales national park authority is distant and aloof. How will the Minister ensure that in future national park authorities will be more thoughtful towards the communities they seek to represent?

Richard Benyon: I am very pleased with the response so far to our review of national park governance. We like national parks and want to support them, but the Government's firm view at this point is that we should review how they are governed to ensure that they are accountable to local people, and that local people can take part in their decision-making processes. That is the purpose of our review, and I hope that my hon. Friend's constituents are taking part in it.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Given the huge importance of provenance and traceability in agriculture, is it not time to consider compulsory country of origin food labelling?

Mr Paice: I am delighted to tell the hon. Gentleman, and to remind the House, that two weeks ago the food industry produced a voluntary set of principles to which all major retailers and respective organisations have signed up. The code involves making clear the country of origin of meat, meat products and mainstream dairy products. Alongside that, we have the European negotiations in which the prospect of mandatory labelling is also being considered.

Roger Williams (Brecon and Radnorshire) (LD): Much organic matter still finds its way to landfill, where it is not only a hazard but a great waste of sustainable energy. What progress has the Department made in promoting anaerobic digestion as a good way of dealing with such waste?

Richard Benyon: Anaerobic digestion offers not just great potential for our society, which is concerned about diverting food waste up the waste hierarchy and away from landfill, but opportunities for communities, farmers and farming businesses to develop schemes that can deal with waste and feed into our energy system. So we are certainly considering that as part of the waste review, which will be announced in early spring. I hope that the hon. Gentleman will take close notice of it.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): May I implore the Minister, when he attends next week's fisheries discussions in Brussels, to raise with his French and Italian counterparts the issue of the continued fishing of bluefin tuna? What can he do to ensure that we protect that very endangered species?

Richard Benyon: I hope the hon. Gentleman will be pleased to hear that we have continued the very strong line that his party, when it was in government, took on bluefin tuna. I am very keen to work with him, because he has great expertise in that field, and I can assure him that we raise the issue frequently at every level to ensure that we continue to push towards the protection of that iconic species.

Sarah Newton (Truro and Falmouth) (Con): The Department is aware of the importance of the port of Falmouth's plans to create new jobs. When will its application for marine consents be decided?

Richard Benyon: I know that that issue is of massive importance to my hon. Friend and her constituents. The decision is imminent; I shall involve her at the earliest stage, and we will work from there. I absolutely understand the importance that the application has for local jobs.

Several hon. Members *rose*

Mr Speaker: Order. I am sorry to disappoint colleagues, but we must move on.

Speaker's Statement

11.34 am

Mr Speaker: I have received a report from the Tellers in the Aye Lobby in the Division at 7.18 pm last night on deferred Divisions—the hon. Members for Rochford and Southend East (James Duddridge) and for Stalybridge and Hyde (Jonathan Reynolds). The number of Aye votes was erroneously reported as 320, instead of 310. I will direct the Clerk to correct the numbers in the *Journal* accordingly: Ayes 310, Noes 216.

Business of the House

11.35 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 13 December will be:

MONDAY 13 DECEMBER—Second Reading of the Police Reform and Social Responsibility Bill.

TUESDAY 14 DECEMBER—Consideration of Lords amendments to the Superannuation Bill, followed by remaining stages of the Terrorist Asset-Freezing etc. Bill [*Lords*], followed by consideration of Lords amendments to the Identity Documents Bill.

WEDNESDAY 15 DECEMBER—Consideration of an allocation of time motion, followed by all stages of the Loans to Ireland Bill, followed by a motion to approve the ninth report 2010-11 from the Standards and Privileges Committee.

THURSDAY 16 DECEMBER—Motion relating to park homes, followed by a motion on the work of the Public Accounts Committee. The subjects for both debates were nominated by the Backbench Business Committee.

The provisional business for the week commencing 20 December will include:

MONDAY 20 DECEMBER—General debate on firearms control.

TUESDAY 21 DECEMBER—Pre-recess Adjournment debate, the format of which has been specified by the Backbench Business Committee.

I should also like to inform the House that the business in Westminster Hall for 13 and 20 January 2011 will be:

THURSDAY 13 JANUARY—A debate on the impact of the comprehensive spending review on the Department of Health.

THURSDAY 20 JANUARY—A general debate on anti-Semitism.

Hilary Benn: I am grateful to the Leader of the House for his statement. Will the right hon. Gentleman tell us when we can expect the localism Bill to be introduced? Two weeks ago, he said it would appear "shortly". On the same day, the Minister for decentralisation, the right hon. Member for Tunbridge Wells (Greg Clark), said it would be published "imminently". Last week, the Leader of the House said it would appear "very shortly". However, having searched high and low for this shy and retiring Bill, I can find no sign of it. In a week that has been full of difficulty for the Government, is this Bill yet another little local difficulty that they have not been able to resolve?

May we have a statement on press reports published this week that impostors have been seeking to gain access to the parliamentary estate? It is now clear that a number of individuals seeking jobs here have claimed to be die-hard opponents of lifting the cap on tuition fees, but have turned out to be the very opposite of what they said they were. What can the Leader of the House do to protect us from these potential double agents?

Has the Leader of the House made any progress on getting the Prime Minister to make his much anticipated apology to head teachers and school sports co-ordinators for his disgraceful attack on what they do? When will the heavily signalled U-turn arrive, or is it stuck in a queue behind the localism Bill?

Talking about trust in politics, can we have a debate on the subject? I ask because it is not just the Deputy Prime Minister who has been breaking his promises in recent weeks; it has been the Prime Minister, too—on VAT, child benefit, 3,000 more midwives, no spending cuts to front-line services, the knife crime pledge and education maintenance allowances. On 6 January, at a Cameron Direct event, the Prime Minister said in answer to a question on EMAs that

"we don't have any plans to get rid of them."

Two months later, on 2 March, the Education Secretary was even clearer:

"Ed Balls keeps saying that we are committed to scrapping the EMA. I have never said this. We won't."

What are our young people, many of whom are watching our proceedings today, to make of such behaviour? Did the Prime Minister and the Education Secretary believe what they were saying or not? Either way, it is no wonder that so many young people think, "Well, if that's the new politics, you can forget it."

In case the Liberal Democrats think that they can tell us—if they are courageous enough to put their heads above the parapet today—that the Government's tuition fee proposals will increase social mobility, may we have a statement confirming that scrapping EMAs will make it more difficult for young people from low-income backgrounds even to get to the starting gate of higher education? To make matters worse, the coalition is also destroying the Aimhigher programme, which is all about social mobility.

Turning to this afternoon's debate, even with a 6-minute limit on speeches, very many Members will not get the chance to represent their constituents today. For a long time now, we have been told that there will be no up-front fees. We have been told that all students will pay back at the same rate according to how much they earn. This week, the Business Secretary and the Deputy Prime Minister told their party that the proposals will not put anyone off going to university. If that is the case, can we have a statement on why the Government are proposing that some students from the least well-off households will not have to pay fees in their first year? Either the Government believe what they have been saying—in which case, why make this proposal?—or they have finally accepted what we have been saying about students being put off, in which case their whole argument collapses. We need an answer.

Is it any wonder that thousands of young people are now standing outside Parliament demanding a say on their future, while MPs from both Government parties are scurrying around hiding from them? They were promised a fair system for their higher education, only to discover that this coalition Government, with the support of Liberal Democrats, is about to let them down—and they will not forget it.

Sir George Young: I said last week that the gestation period for the localism Bill has been a little longer than anticipated. It is now being delivered at high speed to the parliamentary birth centre by the Secretary of State for Communities and Local Government. As I said last week, I hope that it will be before the House well before Christmas.

On the second issue, the right hon. Gentleman bangs on about the position of the Liberal Democrats on tuition fees, but the Liberal Democrats got their Front Benchers behind a policy on this before the Labour party did. They got themselves organised on Tuesday, but it was not until yesterday that the shadow Chancellor claimed in an article in *The Times* that there was

"a strong case for a graduate tax".

I have to say that it is he who is a member of the coalition parties when it comes to tuition fees and funding higher education.

The Government will be delivering school sports, but in a different way from the previous Government; instead of having a centralised PE and sports strategy, we want to redeploy resources and people, putting a new emphasis on competitive sport. In answer to the right hon. Gentleman's specific question, we will be announcing how we will spend the money we have allocated for school sport in due course.

On the education maintenance allowance, we are committed to ensuring that every young person remains in education and training until they are 18. Evidence shows that about 90% of EMA spending goes to students who would have stayed in education anyway. There was an enormous amount of dead-weight. We are replacing the EMA with targeted support for those who face genuine financial barriers to participation.

As for the time allowed for the debate, I think that the right hon. Gentleman is losing his touch. Last Thursday, when I announced the debate, his only question was on when we would have sight of the text on the Government's proposals. That small spark of interest developed into the conflagration that we saw last night. A business of the House motion was tabled on Friday last week. He could have amended that motion, but the Opposition did not get around to amending it until the debate was well under way and it was far too late. On one of the key issues facing this Parliament, the shadow Leader of the House has been caught asleep at the wheel.

On the other issues that the right hon. Gentleman addressed, those will be the subject of the debate that is about to take place.

Nicholas Soames (Mid Sussex) (Con): May I ask the Leader of the House to find time for a debate on expanding cadet schemes so that young people can do cadet service not only with the police, the Army, the Navy and the services, but with other uniformed services such as the coastguard? That would greatly benefit young people and give such services the opportunity to contribute to the big society idea in a positive and meaningful way.

Sir George Young: I can think of no bigger supporter of the big society than my hon. Friend. He has proposed a genuinely helpful and innovative idea. I will share with ministerial colleagues the idea of expanding the cadet service to give young people the opportunity to gain experience in the professions and careers that he has mentioned. I will pursue his suggestion with vigour.

Huw Irranca-Davies (Ogmore) (Lab): Will the Leader of the House find an opportunity for a debate on bank lending so that I can articulate the concerns of the managing director and owner of the excellent Talgarth Bakery, which I recommend to the Leader of the House? The owner managed to secure funding from the Welsh Assembly Government to purchase a unit of property next door to his business, so that he could expand his work force and his small business. However, Barclays bank asked him for a 35% deposit that he could not secure. He has therefore had to turn down that opportunity for expansion. That is a common tale of small and medium-sized companies not being able to access finance. Will the Leader of the House find time for a debate in Government time?

Sir George Young: That is a long way for me to go to buy my bread, but I take note of the excellent quality of the produce in the hon. Gentleman's constituency. I hope that other banks that are listening take the opportunity to pick up new custom by offering the facilities that were denied by the firm's existing bank. I hope that that leads to the resources that the company needs being forthcoming. I will, of course, raise with ministerial colleagues the general issue of bank lending, because that was a condition of the support that the previous Government gave.

Matthew Hancock (West Suffolk) (Con): May we have a debate on the future of the horse racing levy, which, as my right hon. Friend well knows, is the mechanism by which a contribution is made to the racing industry by the gambling industry and those who place bets? The levy is in desperate need of modernisation, and I think that many hon. Members would have an interest in such a debate.

Sir George Young: Indeed, the matter is of great interest to the right hon. Member for North West Hampshire, who has a number of racing stables in his constituency. I am unable to provide an immediate debate in Government time, but the Chair of the Backbench Business Committee is in her place and will have noted the bid. It might be the subject of an Adjournment debate in Westminster Hall or in the House.

Chris Leslie (Nottingham East) (Lab/Co-op): May we have an urgent debate on the announcement that is buried on page 73 of today's overview of draft legislation for the Finance Bill, which suggests that rather than raising £3.5 billion from the banking levy, the Government will raise only £2.5 billion? On a day when they are telling university teaching professionals and students that some of the cuts are unavoidable, is it not a scandal that they are climbing down on the bank levy?

Sir George Young: The Government are not climbing down on the bank levy. The Chancellor of the Exchequer has made it absolutely clear that he wants to extract the maximum possible resources from the banks. The amount that we will collect is a lot more than the previous Government had planned.

Mark Reckless (Rochester and Strood) (Con): May I ask for a statement, or for a clarification from the Leader of the House, on a clause in the coalition agreement, which states:

"We will...work to limit the application of the Working Time Directive in the United Kingdom"?

Is that merely an aspiration, or will the Government insist that the directive is disapplied in the UK in return for our agreement to an EU treaty revision?

Sir George Young: My hon. Friend is right to remind the House that we are committed in the coalition agreement to limit the application of the working time directive in the UK. That means that we would like to find a solution to the problems caused by the SiMAP and Jaeger judgments. It also means that our position on the retention of the opt-out will be absolutely firm. Any attempt to trade off between a solution to those cases and the opt-out will lead to the same stand-off as in the last negotiations.

Andrew Gwynne (Denton and Reddish) (Lab): Given that the Government's national security strategy has identified terrorism as the biggest threat that we now face, and in the light of recent events, will the Leader of the House grant a debate on his Government's plans to cut counter-terrorism policing by 10% over the next four years?

Sir George Young: The business next week includes a debate on terrorist asset freezing, and the hon. Gentleman might have an opportunity at that time to raise the issue that he has just touched on.

Philip Davies (Shipley) (Con): In a recent parliamentary answer, the Government confirmed that, to meet our targets on renewable energy, they will add 26% to the average annual domestic electricity bill and a whopping £246,000 to the average medium-sized non-domestic user's bill. Given that the Government are trying to create economic growth and tackle fuel poverty, may we have a debate on this, so that the public can understand how damaging these policies are, and that they represent a futile attempt to tackle global warming, which we have not even had for the past 15 years?

Sir George Young: I understand the concern expressed by my hon. Friend, but the Government remain committed to their carbon reduction targets. In the near future, we will be debating the Energy Bill, which contains a number of measures designed to reduce the cost of energy, which my hon. Friend is rightly worried about, and he might have an opportunity during the passage of that Bill to develop his arguments.

Chris Bryant (Rhondda) (Lab): Will the Leader of the House make provision on Monday for plenty of time for personal statements by hon. Members? There is a rumour that some Liberal Democrats are planning to abstain this afternoon by voting in both Lobbies. "Erskine May" says:

"The Speaker has deprecated as 'unparliamentary' the practice of voting in both lobbies as a demonstration of a 'third' position."

It also states that Members who had done so mistakenly would be allowed, on the following day, to explain in a personal statement which Lobby they had intended to be in.

Sir George Young: I do not think that that is a matter for the Leader of the House.

Nadine Dorries (Mid Bedfordshire) (Con): Members might not be aware that, last Thursday, a piece of legislation was passed in the House which grants the Parliamentary Commissioner for Standards the power to investigate any MP he wishes, if he thinks fit, without having received a prior complaint. This would of course result in the headline the following day, "Parliamentary sleaze watchdog investigates MP". Will the Leader of the House please tell us why he saw fit to grant such powers to someone who is unelected and probably has the leakiest office in Westminster, and who also has close relations with the media?

Sir George Young: It was not I who granted those powers. The House decided, without Division, to approve the unanimous report of the Standards and Privileges Committee, which carried the resolution to which my hon. Friend refers.

Geraint Davies (Swansea West) (Lab/Co-op): A constituent of mine who served in Her Majesty's armed forces was hooded and beaten in a mock interrogation while serving in the Army. He suffered psychological damage, turned to alcohol and has since had his military pension reduced to 6%. When will we have an opportunity to debate the treatment of military veterans who have served so well in our armed forces?

Sir George Young: In the relatively near future, we will be debating the Armed Forces Bill, which might provide an opportunity to raise such issues. I am very sorry to hear what happened to the hon. Gentleman's constituent, and I will draw the attention of my right hon. Friend the Secretary of State for Defence to the incidents that he has just described.

Henry Smith (Crawley) (Con): Many parents in my constituency—not least my constituency caseworker—have experienced immense frustration in dealing with the apparently dysfunctional Child Support Agency. May we have a debate in the not too distant future on the future of the agency?

Sir George Young: My hon. Friend is not unique in having a regular dialogue with the CSA on behalf of his constituents, and I share and understand his concern. He will know that, following the public bodies reform announcement on 14 October, the Child Maintenance and Enforcement Commission will be abolished as a non-departmental public body, and instead become an Executive agency of the Department for Work and Pensions. It is our intention that all functions of the commission will be moved to the Executive agency. I hope that that will result in an improvement in the performance of that body.

John Robertson (Glasgow North West) (Lab): May we have a debate on the education maintenance allowance? The Government keep telling us about a report which states that 90% of people say that they do not need EMAs at all, yet not a single student or member of a student's family was asked to take part in the report. The only people who were asked to take part were sixth-formers, and I suggest that that report simply does not hold water. The Leader of the House should call a debate on that subject.

Sir George Young: I repeat what I said a few moments ago: the evidence shows that around 90% of EMA spending goes to students who would have stayed in education anyway. No Government confronted with that sort of dead-weight expenditure can ignore it, and we will be saving some £0.5 billion by moving to targeted support to help those who face financial barriers to participation.

Andrew Stephenson (Pendle) (Con): Will the Leader of the House grant us a debate on the UK travellers who are still seeking compensation for flights cancelled during April's volcanic ash cloud? Mr and Mrs Ashworth from Colne in my constituency have now been seeking compensation from Ryanair for more than seven months. They have sent in the same forms and provided evidence of their entitlement several times, and done everything that has been asked of them, yet Ryanair is still failing to honour its responsibility, leaving my constituents out of pocket.

Sir George Young: I am very sorry to hear of Mr and Mrs Ashworth's experience, but they are fortunate to have a Member of Parliament such as my hon. Friend to pursue their case. If Ryanair is failing to respond to their claim, the next step is to talk to the complaint handler for the EU state in which the event occurred. In most cases, that is the national aviation regulator, and in the UK, it is the Civil Aviation Authority.

Mr David Winnick (Walsall North) (Lab): If those who are protesting peacefully and lawfully today are kettled by the police so that they are unable to use even basic facilities for a long time, may I tell the Leader of the House that we will expect a statement from the Home Secretary after the vote today to give the House an explanation of what has occurred? May I also just mention—

Mr Deputy Speaker (Mr Nigel Evans): No, we simply do not have time, and I think that the hon. Gentleman has got his point across.

Sir George Young: I am not going to get involved in the operational responsibilities of the Metropolitan police. I am sure that they will discharge their responsibilities to the public sensibly today, and keep public order outside Parliament.

Robert Halfon (Harlow) (Con): Has my right hon. Friend seen my early-day motions 520, 598 and 1,160?

[That this House welcomes the statement by the right hon. Member for Arundel and South Downs that there is a 'huge untapped potential' for recruiting more special constables in the future; notes that the number of specials in Essex has doubled over the past four years to nearly 700 officers; further notes the public service of special constables, who are dedicated volunteers, often working in hazardous conditions; believes that transforming the Special Constabulary into a Territorial Army-type force would enable specials to cover more policing duties and would offer excellent value for money; sustaining frontline operational services; further believes that specials are a genuinely local force, like Neighbourhood Watch, who offer an invaluable source of community intelligence; and therefore

[Robert Halfon]

calls upon the Government to refocus its resources to incentivise special constables, so that they can work more hours and develop professionally.]

Will my right hon. Friend make a statement on what steps the Government are taking to support special constables, and will he support my planned amendment to the Police Reform and Social Responsibility Bill that would give local authorities the power to give special constables a discount on their council tax?

Sir George Young: I endorse my hon. Friend's support for special constables. As I announced a few moments ago, we are debating the Second Reading of the police Bill on Monday, and if he were lucky enough to serve on the Public Bill Committee, he would have an opportunity to table his amendment to exempt special constables from paying council tax. I should add that powers already exist to allow police authorities, with the support of the chief constable, to pay an allowance to some or all special constables in their area, and the Government also want to do what they can to increase the number of special constables.

Diana Johnson (Kingston upon Hull North) (Lab): My constituents at Hull York medical school are concerned that the House of Commons has not had an opportunity to debate fees and medical education. As time will be so short this afternoon in the debate on raising the cap on tuition fees, will the Government allow a debate on that particular issue so that the House can effectively scrutinise the important issue of training our doctors for the future?

Sir George Young: The hon. Lady is right to say that the training of our doctors for the future is important. The Government have no plans for such a debate, but I refer her to the Chair of the Backbench Business Committee, as this might be a suitable candidate for one of her debates.

David Tredinnick (Bosworth) (Con): Does my right hon. Friend recall that, in the 2001 Parliament, the House voted to rise at 7 o'clock on Wednesdays, yet last night we rose at 11 minutes past midnight after debating a motion that was proposed at very short notice and at great inconvenience to many Members? Does he think that that is a satisfactory situation, particularly when the shadow Leader of the House spoke for more than two hours in what was apparently a filibuster?

Sir George Young: To one extent, we were better off having that debate yesterday; otherwise, we would have had it on Tuesday at 10.30 pm, and it would have gone on until even later. We do not plan to have debates after the moment of interruption on a regular basis but, from time to time, it is necessary to ensure that the business of the House is properly discharged.

Mr Gerry Sutcliffe (Bradford South) (Lab): On school sport, the Prime Minister said in answer to a question I asked last week that there would be a change of heart and that he would examine the matter. We had a debate in which there was wholehearted support from all parties for a change of mind. The redundancy notices are starting to go out to school sports co-ordinators. May we have a decision on what will happen?

Sir George Young: As I said a few moments ago—I think in response to the shadow Leader of the House—the old system cost too much and was too bureaucratic. We will announce how we will spend the money that we have allocated for school sport in due course.

Esther McVey (Wirral West) (Con): May I ask the Leader of the House to make time for a debate on careers advice in school? Although I welcome the coalition's plans to introduce an all-age service, we need to ensure universal, specialist careers advice for all our young children, that starts in schools from a very young age and does not impose plans from the top down. I believe that all hon. Members should debate that before any final decisions on provision are implemented.

Sir George Young: I entirely agree with my hon. Friend. With the establishment of an all-age careers service by April 2012, we intend to restore a focus on specialist expertise and careers guidance for young people, based on independence and professionalism. I regret that the single focus on careers guidance has been lost in recent years, and we hope to put that right. If we have time for a debate on the matter, I hope that the Back-Bench business committee can allocate one.

Kevin Brennan (Cardiff West) (Lab): Will the Leader of the House enlighten us about why he has decided to pull stumps half-an-hour early this evening, because he did not do so last night? Instead of criticising the Opposition, will he tell us why he has chosen to restrict debate by taking that half-an-hour off when so many Members want to speak?

Sir George Young: We followed the precedent of the previous Government, who, in a similar debate, drew stumps at 5 o'clock.

Mr Stewart Jackson (Peterborough) (Con): May we have a debate in Government time on propriety in the Independent Parliamentary Standards Authority? My right hon. Friend will know, because three hon. Members, including me and the very experienced right hon. Member for Cynon Valley (Ann Clwyd), have advised him of the matter, that it is alleged that Anne Power, the communications official at IPSA, is touting so-called juicy stories around the Lobby to friendly journalists. That accusation has been made on several occasions. Will my right hon. Friend take the opportunity to speak to the chief executive of IPSA? At the very least, the individual concerned is breaching the Data Protection Act. If true, the position is completely unacceptable and intolerable.

Sir George Young: If that activity took place, it is indeed unacceptable. I think that I am right to say that a question was tabled to my hon. Friend the Member for Broxbourne (Mr Walker) on the specific issue, and an answer was provided either yesterday or today, stating that IPSA denies that any such contact took place.

Mr Frank Roy (Motherwell and Wishaw) (Lab): Throughout the past week, towns in my constituency and throughout central Scotland have resembled a scene from Armageddon: children have not been able to get home from school and have had to stay there overnight; students have had to stay in colleges; lorries have been

abandoned; people have been stuck in cars for 14 hours; there have been fuel and food shortages, and now the Army is on the streets trying to clear the ice. Will the Leader of the House grant time for a debate or a ministerial statement on the Government's response to the inclement weather, which we used to say happened now and again, yet now comes every year? Things need to change in the United Kingdom; we need to respond far better and far more quickly. Will the right hon. Gentleman grant time for a debate?

Sir George Young: There are real difficulties, which we have all seen on our television screens, in Scotland. Most of the responsibility for addressing them has been devolved to the Scottish Parliament. As my right hon. Friend the Prime Minister said yesterday, any support that the Westminster Parliament can extend to Scotland will be given. However, I doubt whether there is time for a debate between now and the Christmas recess.

Mr Dominic Raab (Esher and Walton) (Con): Last week, the *Financial Times* investigated the EU structural funds for poorer regions. It found £500 million paid out in error and £92 million of suspected fraud last year alone. Mercifully, only 10% of the funds have been paid out. May we have a statement and a debate on the action that is being taken to whip OLAF, the EU's anti-fraud body, into shape and prevent the remaining £260 billion from being squandered?

Sir George Young: The whole House will deplore any waste of funds. Of course, it is right that EU structural funds should be put to the use for which they are designed. I am happy to say that the UK has above average implementation of the structural and cohesion funds, and the UK programmes are on track to meet their targets. I cannot comment on the programmes of other member states, but I will draw the Foreign Secretary's attention to my hon. Friend's general point about the lack of accountability in part of the budget.

Barbara Keeley (Worsley and Eccles South) (Lab): On 16 June, in his speech to the Hansard Society, the Leader of the House said that

"it has simply become too easy for the Government to sidelime Parliament; to push Bills through without adequate scrutiny; and to see the House more as a rubber-stamp than a proper check on executive authority".

He also said that his Government believe that a strong Parliament leads to a better Government. How does he square his belief in a strong Parliament with the Government's shameful truncating of the debate on their proposals on tuition fees?

Sir George Young: I have to say to the hon. Lady, who was Deputy Leader of the House, that we could have done what the previous Government did and allocated five hours for tuition fees, including the business motiom. Any time spent on the business motion would have come out of that five hours. The previous Governmemt did that, but we have more respect for Parliament thain to do that on this issue.

Andrew Bridgen (North West Leicestershire) (Con)): The main problem with common sense is that it is not always as common as we would like. This week, it has been reported that farmers in Suffolk have not been allowed to clear snow from the highways because their agricultural vehicles are running on red diesel, which does not attract full road fuel duty. Will the Leader of the House advise on how we can get an immediate derogation for farmers involved in essential snow clearing? What can we do to ensure that the ridiculous situation does not happen again with the next snowfall and the next national emergency?

Sir George Young: It would be absurd to penalise or arrest farmers for clearing snow with tractors that use red diesel. I hope that common sense will prevail, but I will draw my hon. Friend's remarks to the attention of my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs to ascertain whether, if a derogation is necessary, one might be issued.

Mike Gapes (Ilford South) (Lab/Co-op): May we have an early debate on the fashionable, right-wing notion of the nudge? In particular, may we have a discussion about the impact of the nudge on students and young people in persuading them not to go to the best universities because of the extortionate fees that the Liberal Democrats and the Conservatives are introducing?

Sir George Young: A nudge is better than a nanny or, indeed, an Act of Parliament. It may be that the hon. Gentleman wants to intervene in the debate later, but, in the fear that he might not be called, has made his intervention early. I will draw his remarks to the attention of my right hon. Friend the Secretary of State for Business, Innovation and Skills.

Greg Hands (Chelsea and Fulham) (Con): May we have a debate about the lobbying activities of former Ministers in the previous Government? My right hon. Friend will have seen today's report from the Standards and Privileges Committee, which recommends that Geoff Hoon be banned for five years and Stephen Byers for two years from holding a parliamentary pass for what it calls a particularly serious breach of the code of conduct. What can we do to ensure that there is no repetition of that Labour sleaze in future?

Sir George Young: I have announced that there will be a debate on that report on Wednesday evening, when the House will have an opportunity to decide whether it wants to enforce the sanctions that are recommended in it. I very much hope that it will act as a salutary lesson to anybody who is thinking of repeating the offences that were committed in those cases.

Barry Gardiner (Brent North) (Lab): Two weeks ago, the Leader of the House was courteous enough to agree that a debate, not in Government time, on war crimes in Sri Lanka might be important for the House to hold. That was before it was made clear that the Secretary of State for Defence is planning to visit Sri Lanka before Christmas. Will the Leader of the House clarify whether that is a private or an official visit? If it is the latter, could we ensure that a debate takes place in Government time on support for war crimes?

Sir George Young: It was a private visit. It is open to the hon. Gentleman, as it is to all hon. Members, to apply for a debate in the pre-Christmas Adjournment

[Sir George Young]

debate by doing so before 4 o'clock on Monday. That would be a suitable opportunity for holding a debate on war crimes.

Christopher Pincher (Tamworth) (Con): Will my right hon. Friend find time for Ministers to make a detailed statement about the announcement by the CBI lobby group that 25% of manufacturers report greater than normal exports this month, which is the best survey showing since 1995? Does not that show that the Government's economic strategy is bearing fruit? The House should know about it.

Sir George Young: My hon. Friend is absolutely right. Manufacturing has a vital contribution to make to exports and to reducing the high unemployment that the Government inherited. The latest CBI monthly industrial trends survey suggests that manufacturers expect output growth in the sector to accelerate in the next three months, and the CBI's output expectations index rose to plus 13 in December from plus four in November. That is encouraging, and indeed signals that the Government's economic policies are working.

Mr Denis MacShane (Rotherham) (Lab): Tomorrow in Oslo at the Nobel peace prize ceremony, there will be an empty chair, because Liu Xiaobo, who should be there, is rotting in a Communist prison. Nevertheless, his spirit will be there representing all the best in humankind. Can the Leader of the House get the Prime Minister or Foreign Secretary to make a statement on why they have said not one public word about Liu Xiaobo? Mrs Thatcher raised Sakharov and Lech Walesa, but the current Government are cowardly and utterly spineless in raising the case of Liu Xiaobo. Will a Minister go to the ceremony tomorrow so that Britain is represented?

Sir George Young: It is deplorable that the winner of the prize is unable to attend the ceremony, and I deplore the loss of liberty involved. Foreign Office questions are next Tuesday, when the right hon. Gentleman will have an opportunity to raise that matter, but I can tell him that it was raised when my right hon. Friend the Foreign Secretary recently visited China.

Pauline Latham (Mid Derbyshire) (Con): Will the Leader of the House grant a debate on the appropriateness of Royal Mail stopping the delivery of mail when there is snow on the ground? In large parts of my constituency, no mail has been delivered for about seven days because Royal Mail feels that it would be inappropriate for postmen and postwomen to go out in case they slip, and small businesses are suffering.

Sir George Young: I am very sorry about that loss of service in my hon. Friend's constituency. I hope that the health and safety measures to which she refers will be fair, balanced and proportionate. I understand that Royal Mail has an agreed policy with the unions whereby they conduct a walk-risk assessment process for the postal round—it is referred to as a "walk". I will raise the issue that she raises with the Under-Secretary of State for Business, Innovation and Skills, my hon. Friend the Member for Kingston and Surbiton (Mr Davey), to see whether he has a role to play in restoring the service in her constituency.

Emma Reynolds (Wolverhampton North East) (Lab): The citizens advice bureau in Wolverhampton provides highly valued advice and services to my constituents, including, thanks to the financial inclusion fund, debt advice. Before the comprehensive spending review, the Government said that they would make an announcement on the future of that fund after the CSR, then we heard that it would be made in December, and now we are told that it will be in January. Will the Leader of the House ensure that the Government make an urgent statement to end the uncertainty for the citizens advice bureau and my constituents, whom it serves so well?

Sir George Young: There will be a debate next Tuesday in Westminster Hall on legal aid. I pay tribute to the work done by the CAB in the hon. Lady's constituency. If she takes part in that debate, I will ensure that she has an answer to her question.

Jake Berry (Rossendale and Darwen) (Con): Will the Leader of the House join me in congratulating Weatherfield's—and Rossendale's—most famous son, William Roache, and the cast of "Coronation Street", on the programme's 50th anniversary today? Will he find time for a debate on the contribution of the creative industries to the north-west economy?

Sir George Young: I am sure that the whole House will want to join my hon. Friend in his congratulations to the producers and cast of "Coronation Street" on its 50th anniversary—it is a well loved and enduring British institution. I pay tribute to William Roache, who has starred in the programme since its very first episode. I am not sure whether my hon. Friend's constituency stretches to Weatherfield, but he can probably console himself with the fact that his postbag is not quite as large as that of whichever Member represents Albert square.

John Cryer (Leyton and Wanstead) (Lab): The Dear Leader should not dismiss so lightly the question asked by my hon. Friend the Member for Walsall North (Mr Winnick). If peaceful protesters are kettled this afternoon—it frequently happens for six or eight hours or even longer—the Opposition will expect a statement from the Home Secretary.

Sir George Young: I note what the hon. Gentleman says, but I believe that the police will discharge their responsibilities in the correct way and ensure that any protest is peaceful.

Mr Andrew Turner (Isle of Wight) (Con): Last Thursday, when our minds may have been elsewhere—mine certainly was—we approved changes to the rules of the Standards and Privileges Committee. How much of the allegation that the new rules mean that wide-ranging investigations can be launched without any direction from the Committee or any complaint is correct?

Sir George Young: The commissioner has been given the powers to start an investigation without a formal complaint. That is because in certain cases, complaints appeared in newspapers and were widely reproduced, but nobody made a formal complaint, so there was no investigation. The Standards and Privileges Committee

introduced its proposal to address that particular problem, and it was unanimously approved by the House last week.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): May I yet again make an impassioned plea to the Leader of the House to use his good offices to encourage Defence Ministers to come to that Dispatch Box to tell us what progress has been made on compensation payments for Christmas island victims and veterans? They have waited long and hard for some compensation. Let us put the legalities aside. Does the Leader of the House agree with early-day motion 1116, that there is a moral obligation on this Government, as indeed there was on the previous one, to pay compensation to those people?

[That this House notes with regret the decision of the Court of Appeal to deny ex-servicemen compensation for the illness and injuries they believe they suffered as a result of exposure to radiation from atmospheric nuclear weapons tests conducted between 1952 and 1958 on mainland Australia, the Australian Montebello Islands and on Christmas Island in the South Pacific; further notes that deleterious health impacts and cancers caused as a result of radiation exposure can appear several years after the exposure; therefore believes that, where compensation claims by atomic test veterans fall foul of a statute of limitations on the time period within which a claim should normally be made, Ministers should still consider those claims; further notes with alarm that Dr Sue Rabbit-Roff, a researcher at Durham University, has contacted 2,500 veterans in the UK and New Zealand establishing that twice as many were suffering from the radiation-induced cancer, multiple myeloma, than had been conceded by successive British governments; welcomes the French government's agreement to compensate its own atomic test veterans, those who contracted illnesses attributed to the country's nuclear tests in the Sahara and French Polynesia, between 1960 and 1996; and calls on the Ministry of Defence to set aside its case in the courts and recognise its moral responsibility to compensate the UK soldiers and their families who acted in good faith to fulfil their military duties but as a consequence have suffered from exposure to radiation.]

Sir George Young: I understand the hon. Gentleman's strong feelings on that subject. He will have the opportunity to put that question to the Defence Secretary at Defence questions on Monday.

David Mowat (Warrington South) (Con): Some weeks ago, the House was promised—in a ministerial statement and on the Floor of the House—that by Christmas, there will be a statement on contaminated blood. Will the Leader of the House confirm that that is still the case?

Sir George Young: I confirm what was said in oral questions on Tuesday—that Health Ministers expect to report the outcome of the review before Christmas.

Sir Peter Soulsby (Leicester South) (Lab): In Department for Environment, Food and Rural Affairs questions, the Minister with responsibility for forestry made several references to the 1% of Forestry Commission land that has been sold off in recent years. Those routine sales are dwarfed by the fire sale of our English forests that the Public Bodies Bill, which is currently in the other place, makes possible. May we have a separate debate in Government time on the protection of, and access to, our woodland? England's forests are far too precious to be just another clause in that Bill.

Sir George Young: I can give no undertaking that there will be such a debate, but I remind the hon. Gentleman that the Labour party sold some 12,000 hectares of land without any reference at all.

Neil Parish (Tiverton and Honiton) (Con): Although I very much welcome the increase in exports, many small and medium-sized businesses in my constituency are finding it difficult to get capital from banks. If they get capital, they find that the banks want to charge enormous interest rates. Is it not time we had a debate on that, because the coalition Government very much want an increase in the private sector?

Sir George Young: It is essential for economic recovery that the banks provide the finance necessary to generate wealth. As I think I said in response to an earlier question, I will draw that issue to the attention of my right hon. Friend the Chancellor of the Exchequer. There could be an opportunity to pursue the matter further at the next Treasury questions.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): May we have a statement on the work of the Met Office, particularly given its forecast on Sunday evening of inclement weather in Scotland on Monday? During that statement, could we take the opportunity to dissociate ourselves from the disgraceful comments of the Scottish National Party Minister in the devolved Administration, who sought to lay the blame for their failure to do anything on the Met Office, even though it had warned of inclement weather?

Sir George Young: I am reluctant to be drawn into Scottish politics. I see no prospect of an early debate on the Met Office, but there will be an opportunity to question at the Dispatch Box the Ministers who have overall responsibility for it.

Thomas Docherty (Dunfermline and West Fife) (Lab): I welcome the opportunity to debate firearms on 20 December. The Leader of the House will be aware—I copied him in—that I wrote to the Home Secretary more than a fortnight ago to ask her to explain why almost 5,000 children have shotgun licences. I am yet to receive a reply, but I am sure that the House will think that one would be appropriate ahead of that debate. Will the Leader of the House urgently investigate that and ensure that the House is informed of the reasons why those children have shotguns?

Sir George Young: I understand that my right hon. Friend the Home Secretary wrote to the hon. Gentleman yesterday to address his specific queries. I have a copy of the letter with me in case it has not reached him.

Nic Dakin (Scunthorpe) (Lab): The noble Lord Hill has confirmed to me that students in year 12 currently in receipt of education maintenance allowance will not be able to receive it as they progress into the second year of their post-16 course. They will then become the first cohort of students vulnerable to the new tuition fee

[Nic Dakin]

regime. I am sure that the Government do not intend that small group of students to pay such a heavy penalty. Will the Leader of the House arrange for a statement to be made?

Sir George Young: They will be eligible, if they are in financial need, for the continuation of EMA, which was referred to earlier.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Cumbernauld, Kilsyth and Kirkintilloch have been brought to a standstill by the arctic weather over the past 10 days and local authority resources are at breaking point, and that is before the Government's public sector cuts. May we have a debate on what the spending cuts will mean for this country's future preparedness for winter emergencies?

Sir George Young: That is a matter for the devolved Administration in Scotland, who get a block grant from the UK Government to apply as they think fit. They are accountable for how they discharge their obligations and the priorities on which they decide.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): May we have a debate in the House about why £2 billion in business rates is being withheld from local authorities until 2013-14, prior to a general election, while the Government are still insisting that front-loaded cuts be imposed on local authorities at present?

Sir George Young: I hope that there will be a statement on local government finance in the relatively near future, when the hon. Gentleman will have the opportunity to put that question.

Points of Order

12.21 pm

Kevin Brennan (Cardiff West) (Lab): On a point of order, Mr Deputy Speaker. Under the terms of the timetabling motion for the business that is about to come, if the debate started now, we would take a vote at 5.21 pm, because only five hours are allowed despite the fact that the moment of interruption does not come until 6 o'clock under normal business. Is there anything that can be done, even at this late stage, to get us the extra 39 minutes that we would have had under normal circumstances, so that hon. Members who want to contribute to the debate have a chance to do so?

Mr Deputy Speaker (Mr Nigel Evans): The timetabling for the debate was decided last night.

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Mr Deputy Speaker. I have given advance notice of this point of order to the Member in question. During Environment, Food and Rural Affairs questions earlier, Mr James Gray directed a racist remark towards my hon. Friend the Member for Glasgow North East (Mr Bain). What steps can you take to protect Members of the House from the racist views espoused by Mr James Gray, and will you now ask him to apologise?

Mr James Gray (North Wiltshire) (Con): Further to that point of order, Mr Deputy Speaker. I cannot imagine what sedentary remark the hon. Gentleman may have heard, but I am certain that had it been out of order in any shape, size or form, Mr Speaker, who was then in the Chair, would have picked me up on it. Further to that, as a Scot born, bred and educated, who never left the borders of Scotland until the age of 21, I think that unlike the hon. Member for Dunfermline and West Fife (Thomas Docherty), I have the highest respect and love for my native heath. I would never say a single word against it.

Several hon. Members *rose—*

Mr Deputy Speaker: No, I will not take any more points of order on this matter. It might be appropriate, particularly given what is about to be debated, that I remind Members of the House that good temper and moderation are characteristics of parliamentary debate. I am sure that if the Chair had heard anything untoward, it would have been dealt with then.

Mr William Bain (Glasgow North East) (Lab): On a point of order, Mr Deputy Speaker. During an answer supplied to me by the Secretary of State for Environment, Food and Rural Affairs during DEFRA questions this morning, she appeared to imply that a document issued by an agency of her own Department, entitled "Poverty amongst farming households", related solely to the policies of the previous Government. I have examined the document very carefully since DEFRA questions and found references to a document from the Department for Business, Innovation and Skills and to the Agricultural Wages Board. Can you provide the House with some assistance on how we can ensure that Government Departments communicate more effectively with each

other, how Secretaries of State can be properly apprised of the contents of their own Departments' documents, and when—

Mr Deputy Speaker: Order. This sounds like an extension of Question Time, but I am sure that Members on the Treasury Bench will have heard the points that have been made.

BILL PRESENTED

Loans to Ireland Bill

Presentation and First Reading (Standing Order No. 57)

Mr Chancellor of the Exchequer, supported by the Prime Minister, Mr Secretary Hague, Secretary Vince Cable, Mr Secretary Paterson, Danny Alexander, Mr Mark Hoban, Mr David Gauke and Justine Greening, presented a Bill to make provision in connection with the making of loans to Ireland by the United Kingdom.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 125) with explanatory notes (Bill 125-EN).

Business without Debate

CONSOLIDATED FUND BILL

Motion made, and Question put forthwith (Standing Order No. 56), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

Question put forthwith, That the Bill be now read the Third time.

Question agreed to.

Bill accordingly read the Third time and passed.

Higher Education Fees

Mr Deputy Speaker (Mr Nigel Evans): With Mr Speaker standing next to me, I have to inform the House that he has not selected any of the amendments on the Order Paper.

12.25 pm

The Secretary of State for Business, Innovation and Skills (Vince Cable): I beg to move,

That, for the purpose of section 24 of the Higher Education Act 2004, the higher amount should be increased to £9,000, and to £4,500 in the cases described in regulation 5 of the draft regulations in Command Paper Cm 7986, and that the increase should take effect from 1 September 2012.

Mr Deputy Speaker: With this we shall discuss the following motion on education:

That the draft Higher Education (Basic Amount) (England) Regulations 2010, which were laid before this House on 29 November, be approved.

Vince Cable: The terms of the statutory instrument are narrow, but I think you ruled yesterday evening, Mr Speaker, that you would like us to entertain debate on the wider issues involved, because they arouse very strong feelings inside and outside the House. The instrument represents a central part of a policy that is designed to maintain high-quality universities in the long term, that tackles the fiscal deficit and that provides a more progressive system of graduate contributions based on people's ability to pay.

I shall briefly go over the sequence of events that has led to this debate. I became Secretary of State in May, when the Browne report was being conducted. It had been commissioned by the previous Labour Government last November. They had asked the former chief executive of BP to conduct a report in order to prepare the way for an increase in tuition fees following the earlier introduction of fees, and then top-up fees, by the last Government.

Kevin Brennan (Cardiff West) (Lab): Will the Secretary of State give way?

Vince Cable: I will take interventions later. You have asked, Mr Speaker, that both Front Benchers should keep their introductions brief. *[Interruption.]* As hon. Members know, I am very happy to take interventions, but I will take them when I have developed an argument. *[Interruption.]*

Mr Speaker: Order. The Secretary of State should resume his seat for a moment, and I apologise for having to interrupt him.

There are strong opinions on this matter, and passions are aroused. That is understood and accepted. What is not accepted by any democrat is that the Secretary of State should not receive a fair hearing. The right hon. Gentleman will be heard, and if Members are making a noise and then expecting to be called, I fear that is a triumph of optimism over reality.

Vince Cable: When I became Secretary of State, I invited Lord Browne to make two adaptations to the terms of reference that he had undertaken under the

[Vince Cable]

previous Government. The first thing that I asked him to do was to see how we could make the existing system of graduate payments more progressive and more related to future graduates' ability to pay. He undertook to do that, and we have done further work to develop the progressivity of the system. As a result, the Institute for Fiscal Studies was able to conclude that the package that we have produced is more progressive than the existing system and more progressive than the Browne report. Concretely, what that means is that just a little under 25% of all future graduates will pay less than they do under the current system that we inherited from the Labour Government.

Mr David Hanson (Delyn) (Lab) *rose—*

Barry Gardiner (Brent North) (Lab) *rose—*

Vince Cable: I will give way in a moment.

The second request that I made of Lord Browne was to ask him to look thoroughly at the alternatives, and particularly at the alternative of a graduate tax. Like many people coming fresh to the issue, I thought that the graduate tax was a potentially good and interesting idea, and I wanted it to be properly explored. He reached the same conclusion that the Dearing report reached under the Labour Government and the same conclusion that the shadow Chancellor reached when he had responsibility for this policy. The conclusion was that the pure graduate tax has many disadvantages: it undermines the independence of universities and, most seriously, it is, in the words of Lord Browne, simply unworkable. I am surprised, therefore, that the Leader of the Labour party, after all this experience and independent analysis, has chosen to drive his party down the cul-de-sac of this policy.

Mr Gareth Thomas (Harrow West) (Lab/Co-op) *rose—*

Vince Cable: I will take the hon. Gentleman's intervention after reading to him a comment from someone whom I would have thought would have been one of his political allies. The education editor of the *New Statesman*—that publication is normally favourably disposed to the Labour party—commented on Labour's current position:

"Labour has been seduced into sentimental, sloppy thinking that defends the interests of the affluent, not the poor... To describe students as facing a lifelong "burden" of "crippling" debt is simply bizarre, particularly for a Labour leader who wants to replace the debt with a graduate tax that the rich would avoid".

Mr Thomas: On sloppy thinking, crucial to the Government's case has been their advocacy of the national scholarship fund, but since the weekend when he announced further details, have the Secretary of State's plans not been unravelling rather fast? Vice-chancellors are criticising it left, right and centre, and yesterday, the Institute for Fiscal Studies told us that it provides a financial incentive for universities to turn away students from poorer backgrounds. How is he going to fix it?

Vince Cable: The consultation on the national scholarship scheme is still open to representations from the hon. Gentleman, vice-chancellors and others in order to achieve an objective that I hope he shares, which is to ensure that people from disadvantaged backgrounds achieve access to higher education. That is something the Labour Government failed miserably to do in relation to the Russell group universities. As it happens, the IFS looked at one of a series of options, but did not take account of the fact that, under our proposed scheme, those universities that wish to progress beyond the £6,000 cap will be obliged to introduce the scholarship scheme without the detrimental effects he described.

Mr Jack Straw (Blackburn) (Lab) *rose—*

Vince Cable: I will take the former Home Secretary's intervention.

Mr Straw: I am grateful to the Secretary of State, but he knows that the central issue is the fact that the teaching grant is to be cut by 80%, the burden of which is to be transferred to students. That is justified by the Government's assessment of the scale of the deficit. Yesterday, in evidence to the Treasury Select Committee, the Chancellor of the Exchequer admitted that he is anticipating tens of billions of pounds of receipts from privatisations not included in the comprehensive spending review. What estimate does the Secretary of State put on those receipts, and to what extent have they been taken into account in his calculations of the scale of the deficit and the cut to the grant?

Vince Cable: I am glad of that intervention from the right hon. Gentleman, who, given his history in the previous Cabinet, is—I think—a co-author of the package of measures we inherited, and which lacked progressivity. His intervention is helpful in directing us to the heart of the debate, which is the question of how we fund universities and where the money comes from. That is exactly what I now wish to deal with.

Several hon. Members *rose—*

Vince Cable: I will take other interventions later. The Browne report—

Several hon. Members *rose—*

Vince Cable: I will move on to the question of financing.

Several hon. Members *rose—*

Mr Speaker: Order. The Secretary of State is not giving way for the moment.

Vince Cable: For the funding of universities, Lord Browne recommended—in a report that the then Labour Government endorsed, I think, in their manifesto—that there should be no cap on university fees and a specific proposal for a clawback mechanism that gave universities an incentive to introduce fees of up to a level of £15,000 a year. That was the report given to the Government. We have rejected those recommendations and proposed instead that we proceed as the statutory instrument describes. That involves the introduction of a fee cap of £6,000, rising to £9,000 in exceptional circumstances.

I will now explain the basic economics of that problem in the light of the intervention from the right hon. Member for Blackburn (Mr Straw).

Mr Hanson: Will the Secretary of State give way?

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Will the Secretary of State give way?

Vince Cable: No, I will not. I will give way later, when I have finished my point.

The right hon. Member for Southampton, Itchen (Mr Denham), who is the Opposition spokesman on this matter, rather helpfully sent a circular letter to MPs yesterday in which he sketched out the basic economic framework within which these decisions have been made. He said that

"MPs have been asked to vote on increasing the fee cap to £9000"—

he did not mention the £6,000, but never mind—

"because the Government is choosing to make a disproportionate cut to the university teaching budget...in a spending review with an average cut of 11%".

Several hon. Members *rose*—

Vince Cable: I will finish my point.

As the right hon. Gentleman knows, the Government, like the previous Government, are not making average, across-the-board cuts of 11% in every Department. We have chosen, as did the previous Government, to have some protected Departments—health, schools, pensions and aid. The logical consequence of that is much higher cuts in unprotected Departments. I am sure that he remembers the IFS analysis that told us, in the wake of the March Budget, that a Labour Government were planning to cut unprotected Departments by 25.4%.

Mr John Denham (Southampton, Itchen) (Lab): The right hon. Gentleman has been good enough to refer to my letter. He knows full well that the IFS analysis carried out after the Budget does not stand up to scrutiny, and reflects neither the decisions taken by the Chancellor in the comprehensive spending review nor the speech made by my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson) setting out our approach. However, will the Secretary of State help the House by identifying which other major spending programmes have been cut by 80%?

Vince Cable: The 80% fact—and it is a fact—derives from the following: most major Departments have had to take spending reductions of about 25%, as they would have done under a Labour Government. I wish to take the right hon. Gentleman and his colleagues in opposition through what that has meant for the teaching grant to universities and university funding in general.

Albert Owen (Ynys Môn) (Lab): Will the Secretary of State give way?

Vince Cable: I shall develop this point and then take an intervention.

What were the options for a Department facing 25% cuts of the kind that the right hon. Member for Southampton, Itchen himself was going to introduce? Some 70% of all spending in the Department is on universities. He could—and I could—have chosen to make the cuts elsewhere, but the largest category would have been in further education. We could have made the choice to cut apprenticeships and skill-level training by a modest amount, but we need to deal with the problem we have inherited of 6 million adults in this country without the basic literacy of a 12-year-old. We could have cut that, but we chose not to. So we were left with the question of how to make cuts in the university budget of about 25%. There were various options—

Several hon. Members *rose*—

Vince Cable: I will finish this section and then take an intervention.

There were various options for cutting the university budget. We could have reduced radically the number of university students by 200,000, but all the evidence suggests, as the previous Government used to argue, that increasing university participation is the best avenue to social mobility. We therefore rejected that option and did not cut large numbers of university students.

We could have made a decision radically to reduce student maintenance, which would have been easier, less visible and less provocative in the short run. We could have done that, but the effect of that would have been to reduce the support that low-income students receive when they are at university now. We rejected that option. We could have taken what I would call the Scottish option. We could have cut funding to universities without giving them the means to raise additional income through a graduate contribution. The certain consequence of that would have been that in five to 10 years, the great English universities—Manchester, Birmingham, Bristol and the rest—would still be great, world-class universities, whereas universities such as Glasgow, which I used to teach at, and Edinburgh would be in a state of decline. We rejected—and rejected consciously—all those unacceptable options.

Several hon. Members *rose*—

Vince Cable: I will take a Scottish intervention.

Pete Wishart (Perth and North Perthshire) (SNP): I am very grateful to the Secretary of State. Does he even begin to understand or appreciate the potentially disastrous impact that trebling tuition fees in England will have on Scottish universities? What will he do to mitigate that?

Vince Cable: I most emphatically will not be following the advice of the Scottish nationalists in government, who are starving Scottish universities of resources and reallocating priorities to cut schools. That is what has happened in Scotland.

Mr John Baron (Basildon and Billericay) (Con): I am sure that we can all agree that all students who would benefit from a university education should be entitled to do so, regardless of their financial situation. My concern is that by increasing the tuition cap, participation levels among lower and middle-income students will fall away. What assurance can the Government give that the situation will be monitored closely and that corrective action will be taken, should participation levels fall away?

Vince Cable: Yes, of course I can give my hon. Friend that assurance. Of course the policy will be monitored, and it will reflect the evidence that emerges. We have put

[Vince Cable]

in place not merely a series of measures to protect low-income graduates, which we have done through the threshold, but a series of measures designed to help children from low-income families to go to university, notably by increasing the maintenance grant from its level under the previous Government, giving access to an extra 500,000 pupils.

Andrew Selous (South West Bedfordshire) (Con): I am extremely grateful to my right hon. Friend for giving way. I wonder whether he could say something about how he sees the future position of English students relative to Scottish and Welsh students. Should we not be looking to secure a degree of fairness between families of similar economic circumstances across the United Kingdom in years to come?

Vince Cable: I believe, as the Government as a whole believe, in devolution. We believe that the devolved Administrations in Scotland, Wales and Northern Ireland have got to make their own decision, but the inevitable consequence of the tightening of public finance—a tightening that is happening under this Government, but which would happen under any Government—was bound to be a system of graduate contributions, which is what will happen throughout the UK. However, that is for those Administrations to decide.

Several hon. Members *rose*—

Vince Cable: I will take one more intervention.

Rushanara Ali (Bethnal Green and Bow) (Lab): Despite this talk of supporting people on low incomes, I find it quite hard to stomach what I am hearing, because in my constituency, for example, the vast majority of young people come from low-income backgrounds, yet they will be losing support through the education maintenance allowance, from which 88% of Bangladeshi children across England benefit. That one ethnic minority group, along with white working-class children, will be prevented from going on to higher education. Coupled with that are the cuts in the future jobs fund—£1 billion, and we are still waiting to hear—so please think again.

Vince Cable *rose*—

Mr Speaker: Order. Just before the Secretary of State replies, let me say that an enormous number of Members wish to speak in this debate. I want to accommodate as many as possible. From now on, interventions must be brief.

Vince Cable: Yes, of course I hear what the hon. Lady says about the education maintenance allowance. What I would say is that the existing system that we inherited was enormously wasteful. Large numbers of pupils received the EMA who did not need it to stay on at school. However, she is quite right to stress the fact that there are large pockets of deprivation in Britain, and her constituency in the east end of London is one of them. We understand that. The purpose of the pupil premium, which is being introduced into the school system, is precisely to address that problem of giving support to schools and pupils in areas of high deprivation.

Several hon. Members *rose*—

Vince Cable: I intend to press on.

Mr Peter Bone (Wellingborough) (Con): Will the Secretary of State give way before moving on?

Vince Cable: I will take an intervention later, if my hon. Friend does not mind.

We have eliminated, I think, most of the other alternatives to raising funding for universities. I hope that nobody on the Opposition Benches is seriously arguing that we should drastically reduce the number of students, that we should drastically reduce maintenance or that we should simply withdraw funding from universities. The only practical alternative was to retrieve income for universities from high-earning graduates once they have left. That is the policy that we are pursuing, and today, 50 university vice-chancellors have come forward and endorsed this approach to the strengthening of university funding in the long term.

Several hon. Members *rose*—

Vince Cable: Opposition Members who follow these arguments closely have often made the following argument. "We acknowledge," they say, "that universities will continue to have high levels of income, but you're replacing public funding with private funding, and this is"—in some sense—"ideological." [HON. MEMBERS: "It is!"] That is a debating point, and I am happy to take it on. At present, roughly 60% of the income of universities comes from the public sector, through different funding streams. The rest comes from private sources—something that the previous Government were trying to encourage. That will be reversed: in future, roughly 40% of university funding will come from the public sector and 60% will come from the private sector. I am keen to encourage more private funding of universities, which is why I have spoken to the director general of the CBI. He is approaching all his members to ensure that we have a significantly higher level of employer support for apprenticeships, sandwich courses and other—*[Interruption.]*

Mr Speaker: Order. First, there is still far too much noise in the Chamber. Secondly, when the Secretary of State has indicated that he is not giving way, Members must not continue standing. That is the situation.

Vince Cable: I hope that not too many Opposition Members would regard additional funding from employers as somehow ideologically contaminated, because we will need more resources going into universities, not less, and that is what we are doing.

Simon Hughes (Bermondsey and Old Southwark) (LD): Under the fees scheme introduced by the Labour party, all universities ended up charging at the highest rate. One of the worries out there is that all universities might end up being allowed to charge £9,000. What assurance—what rules, what guarantees—can my right hon. Friend give that "exceptional" will mean "exceptional", and that £6,000 will be the limit for most universities in the country?

Vince Cable: That is a highly pertinent question in the light of the experience of the last Government, who had a two-tier system. There was a migration of all universities to the top of the range. They operated, in effect, like a cartel and that must be stopped. It must not happen again, and there are several means by which that will happen. First, any university that wants to go beyond £6,000 will have to satisfy very demanding tests of access for low-income families, including through the introduction of the scholarship scheme. Newer institutions, particularly further education colleges providing accredited courses, will drive down the cost of high quality basic teaching. If universities defy the principle of operating on a competitive cost basis, it may well be necessary to introduce additional measures to observe the principle that my hon. Friend has correctly summarised, which is that—

Mr Speaker: Order. I apologise for interrupting the Secretary of State, but I must ask him to address the House. His natural courtesy causes him to look at the Member to whom he is responding, but I want the whole House to hear what he has to say.

Vince Cable: I am simply saying that there are potentially other mechanisms by which universities that exceed the £6,000 level will not be allowed to behave in the way that they behaved under the last Government.

Several hon. Members *rose*—

Vince Cable: Let me proceed. Of course increasing the graduate contribution is bound to have an effect—it is an additional cost—to graduates. I therefore want to summarise the steps we are taking to make sure that this happens in a fair and equitable way. First of all, no full-time students will pay upfront tuition fees and part-time students doing their first degree will for the first time—unlike under the last Government—have the opportunity to obtain concessional finance under the student loan scheme arrangements.

Yesterday, after discussing the issue with the Open university and others, I made a further announcement that we will increase the range of that access from students spending a third of their time in education, as originally proposed, to those spending a quarter of their time in it. That will widen enormously the number of part-time students who will have access to supporting finance in order to pursue their education.

Mr Donohoe: Will the Secretary of State give way?

Vince Cable: Thirdly, we will introduce a threshold for graduate repayment of a £21,000 salary—a significantly higher level than before—and it will be uprated annually in line with earnings. It is important to emphasise that point because under the Labour Government, there was a threshold of £15,000, but it was never uprated on any basis whatever. I wish to communicate what I said yesterday—that students who were pegged at that £15,000 threshold under the current arrangements established by the Labour Government, will in future have annual uprating in line with inflation. Those existing students whom the last Government did absolutely nothing to protect will have inflation-proofing in future.

Andrew Percy (Brigg and Goole) (Con) *rose*—

Vince Cable: Furthermore, we are introducing variable interest rates so that those on high incomes pay relatively more to ensure the progressivity of the scheme, as a result of which a £30,000 salary will carry a monthly payment of approximately £68, which is far lower, incidentally, than it would be under a graduate tax system. Under that system, people would have to start paying much earlier and at much lower levels of income.

Several hon. Members *rose*—

Vince Cable: No, I am not giving way.

Mr Speaker: The Secretary of State is not giving way at the moment and must be allowed to continue—*[Interruption.]* Order. He must be allowed to continue his argument.

Vince Cable: As well as the measures we have taken to improve access for low-income families, as opposed to the separate problem of low-income graduates, we have made it clear that additional grant provision will be made, as I said in response to an earlier intervention. In addition, universities wishing to move to a higher threshold will have demanding tests applied to their offer requirements in respect of access.

It is worth recalling the situation that we have inherited. There are a lot of crocodile tears from Labour Members, so let me remind them that social mobility, judged by the number of people from disadvantaged backgrounds getting into Russell group universities, has deteriorated over the last decade. There are currently 80,000 free school meal pupils, of whom only 40 made it to Oxbridge—40 out of 80,000. That is fewer than from some of the leading independent schools. That is a shameful inheritance from people who claim to be concerned about disadvantaged backgrounds—and we intend to rectify it.

Let me conclude in this way. I do not pretend—none of us pretends—that this is an easy subject. Of course it is not. We have had to make very difficult choices. *[Interruption.]* Yes, we have. We could have taken easier options, but we were insistent that at the end, we would make a substantial—

Mr Donohoe: On a point of order, Mr Speaker. Did not the Secretary of State say that he was going to give way? Why is he not doing so?

Mr Speaker: I understand what the hon. Gentleman has said, but that is not a point of order; it is a point of frustration.

Vince Cable *rose*—

Mr Donohoe: Will the Secretary of State give way?

Vince Cable: I have given way to several of the hon. Gentleman's colleagues and several of my own, and I now wish to summarise where we are.

As I was saying, there have been difficult choices to make. We could have made a decision drastically to cut the number of university students; we could have cut student maintenance; we could have cut the funding to universities, without replacing it. Instead, we have opted for a set of policies that provides a strong base for university funding and makes a major contribution to

[Vince Cable]

reducing the deficit, while introducing a significantly more progressive system of graduate payments than we inherited. I am proud to put forward that measure to this House. *[Interruption.]*

Mr Speaker: Order. *[Interruption.]* Order. *[Interruption.]* Order. I understand the passions, but the more noise, the greater the delay and the fewer the number of Members who will have a chance to contribute. I want Back Benchers to have the chance to contribute and I appeal to right hon. and hon. Members to help me to help them.

Paul Farrelly (Newcastle-under-Lyme) (Lab): On a point of order, Mr Speaker. On Monday, I tabled three named day questions relating to the evidence underpinning Government policy. They were about what studies the Government have commissioned about the potential impact of these higher fees on participation, particularly on longer courses such as languages, medicine, law and architecture and on post-graduate teaching courses. Those questions were due for answer at noon today, but answer has come there none. What can the House do, Mr Speaker, to ensure that Government better inform us with vital information so that we can properly debate subjects like this, which are of interest to the whole nation?

Mr Speaker: The hon. Gentleman knows that I am in favour of timely replies to parliamentary questions. He is an experienced hand in this House and must pursue these matters through the Table Office and in other ways; we cannot be detained now by what he has just said.

12.57 pm

Mr John Denham (Southampton, Itchen) (Lab): I note that the Prime Minister and the Deputy Prime Minister have already walked out of the debate. It is a shame that the two architects of this policy do not have the courtesy to stay and listen to both sides of the debate.

I fear I may have to lower Opposition Members' expectations. Those of my hon. Friends who have come here expecting some good party political knockabout—U-turns, broken promises and fees policies described by the Deputy Prime Minister as a "disaster" that he now claims to believe in—need to know that I am not going to do that speech. So much of the media coverage of this issue has been dominated by Liberal Democrat splits that we could be forgiven for thinking that today's vote is about the future of the Liberal Democrats. It is not about the future of the Liberal Democrats; it is about something much more important than that. There are millions of parents and millions of current and future students who do not care about the Liberal Democrats, but who do care about the huge fee increase that we are being asked to decide today. Today's decision must be taken on the facts and on the merits. If this Tory measure goes through with the support or abstention of Liberal Democrats, that party will forfeit the right to call itself a progressive political party.

The House can stop that decision today. The deputy leader of the Liberal Democrats says that he cannot support the Government—as well he might, because his local university's funding will be cut from £38 million to £3 million a year, and it has already said that it wishes to charge the full £9,000 tuition fee. The Liberal Democrats' deputy leader says that he may vote against the Government, and if he and every Member of the House—not just Liberal Democrat Members, but Conservative Members, Labour Members and Members of other parties—vote against the proposal today, it will fall.

Let me set out why Members should vote against, or vote for a delay and a rethink, rather than abstaining.

Mr Jim Cunningham (Coventry South) (Lab): Is my right hon. Friend aware that the Secretary of State said earlier that 15 vice-chancellors support him? I have a petition from the university of Warwick of 240 leading academics in this country who object to the increases in charges and, more importantly, call for a public inquiry into the future of education. What does my right hon. Friend think about that?

Mr Denham: There is widespread disquiet not only in the academic community. Significantly, the Secretary of State referred to the letter from Universities UK but did not read it out, because it makes it absolutely clear that Universities UK opposes the cuts in higher education funding on which the fee increase is based. He has persuaded vice-chancellors, with a gun to their head, that as the money is going the fee increase is the only option in town, but that hardly speaks of him persuading the university community of the policy.

As you said last night, Mr Speaker, today's vote is on a narrow issue—the fee cap. Behind that, however, is the most profound change in university funding since the University Grants Committee was set up in the 1920s. It is the ending of funding for most university degrees. It is a huge burden of debt on graduates. It is an untried, untested and unstable market for students.

Although there is always room for improvement, England enjoys a world-class university system: world-class in research, with a disproportionate number of the best research universities; and a richness and diversity of higher education to compare with the best. The risks are so high, and the consequences so unclear, that no sane person would rush the proposal through without proper debate or discussion. Today, however, we do not even have the promised higher education White Paper to tell us how it is meant to work.

Several hon. Members *rose*—

Mr Denham: I give way to a representative of one of those leading research universities.

Dr Julian Huppert (Cambridge) (LD): While the right hon. Gentleman is talking about fundamental changes, will he talk about his party, including him, voting to introduce fees and breaking the principle of free education? That is a fundamental change, for which he voted, and he voted for top-up fees against manifesto commitments. Will he apologise?

Mr Denham: The 2001 Labour manifesto—I was a Back Bencher at the time, and my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) was the responsible Minister—ensured

that the policy did not come into force until there had been a further general election. That is not the coalition's proposal.

I am sorry that the Prime Minister has left, because he did his bit yesterday to run down our English universities, saying that they were unsustainable, uncompetitive and unfair. He did not say that they were world class or praise what they had achieved; he could only knock them. "Uncompetitive"? They are the second most popular destination for overseas students in the world, but the Prime Minister tells the world that they are uncompetitive. That is a great deal of help for our universities.

The Prime Minister, however, has some interesting thoughts about overseas students. When he was in China, he told Chinese students that

"we won't go on increasing so fast the fees on overseas students, because in the past we have been pushing up the fees on overseas students and using that as a way of keeping them down on our domestic students. So we have done the difficult thing in our government which is to put up contributions from British students."

For foreign students, he said,

"we should be able to keep that growth under control."

Now we know why the Prime Minister wants to push up contributions—to keep down the price for Chinese students. Extraordinary!

Yesterday, the Prime Minister said that the current model of higher education funding is not providing enough money. Quoting the Browne review, he said that public funding per student is lower in real terms than 20 years ago. We are bound to ask, "How the hell did that happen?" It did not happen under Labour. I can tell the Prime Minister how it happened. Between 1989 and 1997, under the previous Conservative Government, public funding per student fell by 36% in real terms. Who was the special adviser to the Conservative Chancellor at that time? It was the Prime Minister. If he wants to know whose fault it was, he ought to look more carefully in the mirror in the morning.

Now, the Prime Minister is at it again. He was cutting university funding then; he is cutting university funding now. This is a Tory policy of cutting higher education; unfortunately, this time they have Liberal Democrats to take it through with them.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Why does my right hon. Friend think that the Government are so intent on destroying the humanities base in this country? Humanities is one of the leading areas of research and excellence, and they are withdrawing public funding. What do they have against it?

Mr Denham: It is hardly for me to try to get inside the heads of Government Members. If we read what they say, however, we see that they think, purely and simply, that subjects have no value unless they have a value in the marketplace.

Miss Anne McIntosh (Thirsk and Malton) (Con): According to the last figures available, when the shadow Minister was in government, of the 80,000 children on free school meals, only 40 went on to Oxford and Cambridge. Does he not accept that his proposals for a graduate tax would mean less social mobility and people repaying a higher amount at an earlier stage?

Mr Denham: No, I do not. If the hon. Lady will forgive me, I will come to that point in a moment.

As a result of these Tory policies, this country will stand alone with Romania as the only OECD countries cutting investment in higher education. The Prime Minister's speech yesterday, which was meant to be a defence of this policy, shows that he does not understand the most basic features of his policy. The fee increases are not designed to raise extra money for universities. That was Labour's scheme—we took the difficult decision to introduce top-up fees, to add to record university income, and to enable more students to go to better-funded universities. The Prime Minister's plan, put forward by the Business Secretary, is totally different. Fees are being trebled simply to reduce the 80% cut in the funding of university teaching, not to raise extra money. Most graduates will be asked not to pay something towards their university education, but to pay the entire cost of their university education. Universities will have to charge £7,000 to £8,000 simply to replace the money they lose, and many universities will lose 90% of their public funding. That is what is at stake today.

If the House passes the fee increase, English students and graduates will face the highest fees of any public university system anywhere in the developed world: higher than France, higher than Germany, and higher—yes—than the United States of America.

Andrew Bridgen (North West Leicestershire) (Con): Will the right hon. Gentleman welcome the fact that the repayments threshold is being increased to £21,000, and the fact that anyone earning less than £25,000 a year will pay less than £1 a day for university education?

Mr Denham: I will come to that in a moment. It is on the standard handout. Let me say first, however, that the hon. Gentleman may not realise that the increase to £21,000 will happen in 2016, when it will be worth, in real terms, precisely what our threshold was worth when we introduced it.

Several hon. Members *rose*—

Mr Denham: I must make some progress.

Most graduates will be paying off their debts for 30 years. Under the current scheme, the average is 11 years. The children of those graduates will have started university before they have paid their own fees. As I will show, the payment system is not fair.

Geraint Davies (Swansea West) (Lab/Co-op): Does my right hon. Friend accept that reducing access and increasing relative price to our competitors will reduce the productivity and tax receipts of future generations and undermine economic growth? What we should be doing is making the bankers pay the levy rather than giving it back in corporation tax, and investing that money in higher education and the future productivity and economic growth of this country.

Mr Denham: We certainly need to sustain investment in higher education, but as—again—I will show in a moment, it is not necessary to adopt our macro-economic policies to know that the Government could have made a different choice. No other country in the world is taking the step we are taking, and no other country in

[Mr Denham]

the world can understand why we are taking it. As always, rather than defending their position, the Government give the pathetic answer, "We had no choice." But they did have a choice. Everyone knows they had a choice.

We in the Labour party would take a more measured and responsible approach to deficit reduction, but even on its own terms, if the coalition had cut higher education in line with the rest of public services, we would have been looking at fee increases of a few hundred pounds. The Business Secretary has told us that the figure should be not 10%, but 20%. That would mean fee increases of not much over £4,000, rather than the £6,000 to £9,000 for which the House is being asked to vote today.

Mr Baron: The right hon. Gentleman cannot get away from the fact that most independent experts agree that the graduate tax, which seems to be the policy of the Labour party, will make students worse off because they will have to pay back more debt and pay it back earlier. Why does he not address that fundamental point?

Mr Denham: Let me explain in a straightforward way to the hon. Gentleman and others who may be confused. There are two stages in this process. The first is deciding how much public funding there will be and how much money needs to come from graduates. The second is deciding how the graduates are to make their contributions. The first stage is the critical one to consider today, because it is the 80% cut in university education that is forcing the graduate contributions so high. As for the second, if the hon. Gentleman will bear with me, as did the hon. Member for Thirsk and Malton (Miss McIntosh), I will set out the case in a few moments.

Several hon. Members *rose—*

Mr Denham: I need to make some progress, because I am coming to an issue that concerns many Members.

The Business Secretary pleads that he has no money in his budget. I do not see why future generations should pay through the nose for his incompetence in allowing his budget to be cut by more than that of almost anyone else in Whitehall. The Government did not have to do that, and the truth is that in the long run it will almost certainly cost the taxpayer more.

What is the Government's plan? I will tell the House. Every year they will borrow £10 billion to fund student loans, and every year they will write off £3 billion of the £10 billion that they have just borrowed because they cannot collect the loans. That is as much money as they are cutting from university teaching, but as the Institute for Fiscal Studies, the Higher Education Policy Institute and London Economics have said, the Government have almost certainly underestimated how much debt they will have to write off because students are borrowing more and borrowing it for longer. Students, saddled with debt, will be worse off. The universities, cut, will be worse off. The taxpayer will be worse off. If it were not so serious, it would be comic. Let us look at the Government's central claim for their proposals.

Stephen Williams (Bristol West) (LD) *rose—*

Mr Denham: I will give way to the hon. Gentleman because he was a higher education spokesman for his party.

Stephen Williams: Perhaps the shadow Secretary of State will enlighten us. When he was in the Cabinet—until May last year—and his successor Peter Mandelson proposed £1 billion of cuts from the higher education budget, did he support him or speak against the proposal?

Mr Denham: Being at the Dispatch Box is an interesting experience. [Hon. Members: "Answer the question."] I am going to answer the question. Half the time we are told, "You never had a plan for dealing with the deficit", and half the time we are told, "This is what you were going to do to deal with the deficit." The Government cannot have it both ways. As I have said on many occasions since the publication of the Browne review, the higher education budget would not have been unscathed under our deficit reduction programme, but it would not have been cut by 80%, and we would not have forced the fees up to £6,000 or £9,000.

Several hon. Members *rose—*

Mr Denham: I want to make some progress on the issue of fairness, because I believe that it lies at the heart of many of the Government's arguments and of questions raised by Members in all parts of the House. The Government say that their proposal is fairer, and that it is better for low-income graduates. The Deputy Prime Minister has said:

"The bottom 25% of earners will pay much less in their contributions to their university education than they do at the moment."—[*Official Report*, 10 November 2010; Vol. 518, c. 281.]

The Prime Minister said yesterday:

"With our new system, the poorest quarter of graduates will pay back less overall than they do currently."

He also said:

"The poorest will pay less, the richest will pay more."—[*Official Report*, 8 December 2010; Vol. 520, c. 281.]

Over the last 24 hours, we have seen a parade of conscience-stricken Ministers saying that they just have to hang on to ministerial office—they just have to keep their red boxes and their cars—because this is really such a good deal for low-income graduates. They will all be better off, they say. When I heard the Prime Minister say yesterday that trebling fees would leave everyone better off, I thought, "I've heard that voice before somewhere." I could not place it at first, but last night I remembered. He is the bloke who does those advertisements on day-time television. You know the ones: "Have you got bad debts, credit card bills, county court judgments against you? Let us wrap them all into one simple payment and reduce your monthly payments." We all know what is wrong with those advertisements. People are charged higher rates of interest, and end up paying much more. That is exactly what the Prime Minister is proposing today.

We all know what is wrong with the Prime Minister's claims. Let us now have a look at the Government's claims. Labour Members do not accept the Government's comparisons between their scheme and ours—*[Interruption.]* I mean their comparisons between their scheme and the current scheme. We think that they have chosen their assumptions to produce the figures that

they want. Many people do not realise that the £15,000 threshold set in 2006 is the same in real terms as the £21,000 threshold that will start in 2016.

Let us look at the Government's figures none the less. They say that a graduate in the bottom 10% will pay less, but how much less? What is the change that has led the Deputy Prime Minister, the Prime Minister and many other Ministers to say that the new system is so fair and so wonderful? According to the Government's own dodgy figures, the poorest 10% of graduates will pay an average of just £88 a year less—£1.60 a week. As the advertisement says, every little helps; but to see Members of Parliament, including Ministers, sell their consciences for just £88 a year is a tragedy.

If the Government's real aim were to ease the pressure on the lowest-paid graduates, I would support it. The Government would have needed to make only minor changes to the current scheme to achieve that aim. However, nothing about the tiny benefit for the lowest-income graduates justifies doubling or trebling the debt of the vast majority of graduates. The IFS yesterday said that graduates from the 30% of poorest households would pay more. The heaviest burden will fall on graduates on average earnings; they will be the hardest hit in terms of how much of their earnings they will have to pay over the coming years. They will be hit harder than the graduates who go into the highest paid jobs. That is what the House of Commons Library says. That is what London Economics says. That is also what somebody to whom the House might wish to listen has said. Many Members will remember David Rendel, who for many years was the Member for Newbury and the higher education spokesman of the Liberal Democrats. In an e-mail I have received, he says the following to a number of his colleagues:

"There are those who are claiming that the current proposals are progressive. But this is only the case if by "progressive" you mean that in any one year richer graduates will pay more than poorer graduates. For all the middle- and higher-earning graduates, over their lifetimes the more they earn the less they pay. Since a very large part of the justification of charging tuition fees is the higher lifetime earnings of graduates…a scheme in which graduates with large lifetime earnings pay less than graduates with comparatively small lifetime earnings cannot be regarded as either progressive or fair. (In this regard"

says the former higher education spokesman for the Liberal Democrats—

"the new proposals, because they include a real-terms interest charge, are in fact more regressive than Labour's scheme!)."

Charlie Elphicke (Dover) (Con): I pay tribute to the right hon. Gentleman for his honesty and candour in making a substantial spending commitment. Will he tell the House how much?

Mr Denham: The hon. Gentleman has clearly not been listening. I have been talking about the changes that were open to his party to make.

It is because the average graduates going into typical jobs will get hit hardest compared with the highest-earning graduates, that we will need a fairer system of graduate contribution in the years to come.

Matthew Hancock (West Suffolk) (Con): The right hon. Gentleman will not accept comparisons between the existing scheme and the Government's proposals, but will he accept the analysis by the Institute for Fiscal Studies showing that the proposed system is more progressive than both the current scheme and the measures put forward in the Browne review?

Mr Denham: No, the IFS said graduates from the poorest 30% of households will pay more, and clearly at all other levels people will pay more than under the current scheme.

Several hon. Members *rose*—

Mr Denham: I must make some progress.

The "fairest" can be judged only by how much graduates pay. It must also be measured by the chance of becoming a graduate at all. Over the past few years the proportion of students from poorer backgrounds has steadily increased. There is much more to be done, and even more to be done on access to the most selective universities, as my right hon. Friend the Member for Tottenham (Mr Lammy) has brilliantly shown this week.

The progress we have made was not an accident, however; it took great efforts by the majority of universities, and we constructed the support, the routes and the ladders of opportunity for more and more of those bright, talented young people. All that has been kicked away.

Andrew Percy: I wanted to make the point the shadow Secretary of State has just made when I tried to intervene on the Secretary of State's opening speech. Participation has been widening, but there is evidence that the poorest children are not going to the best universities, and that remains a problem. The concern for many of us on the Government Benches—or some of us, certainly—is that increasing fees even further will mean they will be even less likely to go to the best universities.

Mr Denham: I am very sorry that the Secretary of State did not give way to the hon. Gentleman, because I think anybody who is showing the integrity and courage he is displaying in standing out and being critical of his party's policies deserves a hearing from his own side of the House. In what he says, the hon. Gentleman is in some very good company, as I will show in a moment.

We created ladders of opportunity for young people from low-income backgrounds, but they are now being knocked over. The Minister for Universities and Science was recently asked a parliamentary question about the impact of Aimhigher. He said that

"evidence from colleges, schools and academies showed that involvement in the activities provided through Aimhigher was associated with higher than predicted attainment at GCSE and greater confidence among learners that they were able to achieve." [*Official Report*, 29 November 2010; Vol. 519, c. 590W.]

I repeat:

"greater confidence among learners that they were able to achieve."

So what is the Minister doing? He is closing it down.

Angela Smith (Penistone and Stocksbridge) (Lab): Figures from the Library show that the Labour Government put £230 million into widening participation. Aimhigher has gone and the rest of that money has not yet been confirmed by the new Government. If it goes, will it not mean that the £150 million made available is in fact a cut in terms of widening participation?

Mr Denham: My hon. Friend is absolutely right. The scheme that was trumpeted at the weekend—and which I will talk about shortly—is dwarfed by the scale of the cuts and the uncertainty in the higher education budget. It is a loan that is dwarfed by the cut through the stopping, in about four weeks from now, of education maintenance allowance awards, which will stop for young people going to further education college this January.

EMAs have, of course, never been just about getting young people to university. Many young people have been enabled to succeed in getting other qualifications, and in going into better jobs or into the vastly increased number of apprenticeships that we created. EMAs make a difference to those aiming for university, yet the Government are shutting them down.

The whole House knows about the work of Sir Peter Lampl of the Sutton Trust. No one outside the education establishment has done more—or, indeed, been prepared to invest more of their own money—to campaign for fair access for students from low-income homes. He supported Labour's fees policy in 2004, but he says about the current proposals that

"there is no doubt that such a significant increase in tuition costs would be a serious deterrent for those from non-privileged backgrounds. The double whammy of major cuts to state funding of universities and higher fees is inequitable and is sure to freeze social mobility. That is a bitter legacy for any politician."

I hope Members will think about that, especially those final words.

Mr Chuka Umunna (Streatham) (Lab): My constituency is in the fifth most deprived local authority area in London and the 19th most deprived in England. Participation rates among people going into higher education increased by over 80% between 1997 and last year. How can these proposals do other than bring that figure down and deter people from poor backgrounds from going to university? I have not had a single communication from a constituent telling me these proposals will make it more likely that they will go to university, but I have had many representations saying they will put them off going to university. Is that also the experience of my right hon. Friend?

Mr Denham: Well, it is the view of an organisation that has done more work on this issue than any other, and I think we should respect it.

Several hon. Members *rose*—

Mr Denham: I will not take any further interventions. I have been speaking longer than I had intended, and I still have a couple of substantive points that I wish to make.

At the weekend we got a bit of a breakthrough. The Government finally admitted that high fees will put off low-income students. They announced the national scholarship scheme and fee waivers for students on free school meals. The Government like this idea: it saves them money, because they do not have to make loans. It costs universities money instead, because they have to match funds. It is also a limited plan covering 18,000 out of the 2 million students in higher education. In case Members do not know this, I will point out that free school meals are generally available only to those families where no one works. What about the millions of working families who earn just a little above benefit levels, however? I look forward to the next election when Tory and Lib Dem MPs will have to explain why John Smith, whose parents do not work, will get £18,000 knocked off their fees, while Susan Jones in the same street, whose parents have always worked and paid their taxes, gets no help at all. I am glad the Secretary of State for Work and Pensions is present on the Front Bench, because he should have a word with his colleagues about how this supports the idea that work should pay.

This system will punish the very universities that have done the most to widen participation. The university of Bedfordshire, which took 120 students from free-school meal backgrounds in 2006-07, would have had to find £750,000 in match funding, whereas Cambridge, which took just 20, would have had to find only £120,000. Where is the sense in punishing success and rewarding failure? The IFS says that it

"provides a financial incentive for universities...to turn away students from poorer backgrounds."

It does not make sense.

All the signs suggest a Government policy in disarray. There is no White Paper, and every day the Government try to respond to the latest criticism. Last week, we showed that two thirds of part timers would not benefit from their scheme, so they had to rush out a minor change yesterday. Last week, under pressure from me, the Business Secretary said he would write to the Office for Fair Access to give guidance about fair access and he has, but it was an empty document. Let me address one point: the House has been told that universities might charge £9,000 in "exceptional circumstances", but nowhere in the guidance document that has been issued does the term "exceptional circumstances" appear. The Business Secretary does not tell the director of OFFA to limit the highest fees to exceptional circumstances or ask him to tell us what exceptional circumstances are. The truth is that he came to the House making a fine promise about the £9,000 and the exceptional circumstances but he has done nothing to bring that about in practice because he knows he will not be able to enforce it. That is not the right way to handle the House.

If I had more time, I would speak about the objections of the British Medical Association, the teaching organisations and the fact that the universities that train teachers have no idea how they will be funded. Let me end by saying a few words to those Ministers and Back Benchers who are struggling, even now, to reconcile party loyalty with a desire to do the right thing and support future students and our universities. *[Laughter.]*

Chris Ruane (Vale of Clwyd) (Lab): They are not laughing in the Public Gallery.

Mr Denham: Millions of parents, students and future students will be watching the debate and they will wonder why it is such a laughing matter for right hon. and hon. Members.

Let me say a few words to those who are wrestling with this issue. It would be crass to compare the two issues, but I once resigned on a point of principle when I was a Minister. I say to Ministers and Back Benchers who are considering their positions today, "I know what you are going through. It is hard to stand aside from friends and colleagues with whom you've shared

many a battle, but after you've done it, you realise it wasn't half as bad as you thought it would be. The self respect you gain far outweighs any temporary loss of position, power or income." The truth is that in any generous political party—mine is not the only generous political party in the House—there is usually a way back. This decision matters so much to so many people that I say to hon. Members, "If you don't believe in it, vote against it."

Several hon. Members *rose*—

Mr Speaker: I have imposed a six-minute limit on Back-Bench contributions with immediate effect.

Ian Murray (Edinburgh South) (Lab): On a point of order, Mr Speaker. Will you give the House some guidance? The Business Secretary has come to the Dispatch Box to tell us how progressive and fair the system that the Government are imposing on thousands of students across the country is, but he has recently been quoted in a Liberal Democrat leaflet that has gone out in Scotland as saying not only that it is akin to the poll tax but that it is incredibly unfair—

Mr Speaker: Order. I have listened to the first two or three sentences of the hon. Gentleman's attempted point of order, but I am afraid that it is not a point of order. He has put his concern on the record. I appeal to hon. Members to have regard for each other's interests. I want to accommodate as many Members as possible, starting with Mr David Evennett.

1.34 pm

Mr David Evennett (Bexleyheath and Crayford) (Con): I am very grateful for the opportunity to participate in this important debate. As the shadow Minister with responsibility for higher and further education when in opposition, I strongly supported setting up the Browne review of student finance. The review, which was published earlier this year, was very thorough and from it the Government have, after considerable consideration, come forward with their plans.

I congratulate my right hon. Friend the Business Secretary on his moderate and constructive speech and on the constructive and progressive decisions that he has taken. The proposals are much more progressive than the current system or any that the Opposition support. We all know that this is a difficult and emotional issue, and it has been made more so by the legacy of the previous Labour Government, who saddled us with huge economic and financial problems. If they had managed our public finances better, we would not have so many grave problems now.

I was very disappointed by the speech of the right hon. Member for Southampton, Itchen (Mr Denham), which lacked any alternative or constructive policies and was vague and waffling on Labour policies. It is all very well for him to come here and wring his hands, but his Government were the ones who caused all the problems.

Three vital criteria should always be considered in relation to these matters. The first is, of course, finance and whether students will be put off going to university because they come from a disadvantaged household or a deprived area, or because they are concerned about future debt.

Mr Edward Leigh (Gainsborough) (Con): It is quite right that we should help people on low incomes, but will my hon. Friend say a word about the many people whom we represent who are in work and have moderate incomes? They also need help and must not be disadvantaged. Middle-income Britain cannot go on paying for this.

Mr Evennett: My hon. Friend makes a very good point. Middle England will be looked on favourably because we want to get more students into university who have the ability, talent and determination to go there.

Several hon. Members *rose*—

Mr Evennett: I shall not give way for the moment as I should like to make some progress.

Assistance must be given to those who are most disadvantaged, and I think that my right hon. Friend the Business Secretary sorted that out in his speech and his proposals.

The second criterion is that students need an improvement in the student experience if fees are to go up. They should get more tutorials, lectures, careers advice and so on. Currently, student experience is very varied; many have complained to me about the poor service they have received at university. There has to be an improvement in the quality of student experience—students want value for money. *[Interruption.]* I shall not take any notice of sedentary comments from Opposition Members. Perhaps they should listen. They did not listen when the Secretary of State was speaking; perhaps they would have learned something if they had.

Thirdly, universities need to adapt by creating more part-time courses, modules and, perhaps, two-year courses. I welcome the fact that my right hon. Friend is looking at assistance for students on part-time courses, who have been neglected in the past. The needs of our country should be paramount and the universities have to change to meet the challenges of today, the demands of students and the needs of our country. We are fortunate to have a world-class university system, but it needs to be maintained in the face of world competition, especially from the far east and America. We need the best students to come to our country, and from within it, and go to our universities to advance themselves and the interests of our country. The proposals deal with the three vital criteria that I have set out as being necessary to make the system work, be progressive and make our country's future a success.

I have always been against a graduate tax—an idea that the Opposition now seem to be tinkering with. Browne considered it in his review but decided that it was not a good idea. I am against it because money would go straight from the graduate to the Treasury, whereas under our graduate contribution scheme, money will go directly to universities and give them an independent source of income free from Government interference. The right hon. Member for Southampton, Itchen has not really explained the policy, but with a graduate tax, graduates would pay when they reached the taxable threshold, whereas our system proposes that they should pay only when they start earning more than £21,000. That is positive.

Andrew Bridgen: Does my hon. Friend agree that a graduate tax would act as a massive incentive for our brightest and best graduates to leave this country and pay tax elsewhere?

Mr Evennett: My hon. Friend makes the absolute point, outlining one of the many reasons why it would be a terrible mistake to go along that route. The Opposition are always going backwards, and this is an example of their doing so yet again. Time is short in this debate, because so many hon. Members wish to participate, but I must say that the disadvantages of the graduate tax are many and varied, and we should cast it into the dustbin, as the Government have done.

Members on both sides of the House must accept that things need to change. We do not like change sometimes, but it is necessary and this is an example of its importance—*[Interruption.]* But progress is not being made. Many disadvantaged children in London are not getting into university under the current system, and we need to change that. We want to give them the opportunity to do so. The new system has to be fairer to ensure that those young people have opportunities to go to the colleges and universities, as we want them to do.

I am a passionate supporter of more part-time and foundation degrees, and I am encouraged by the approach taken by the Open university. I recently discussed this with its vice-chancellor, Martin Bean, and learned of his enthusiasm for and commitment to providing a completely different student experience. We welcome that, because flexibility and an innovative approach are what we need. That is what these proposals are about, and it will not do for Opposition Front Benchers just to waffle vaguely on the key issues. The need for change is here, we have to look forward and we have to be progressive. That is what we are looking for. We want to ensure that there is fair access for people. That is what the Government believe in; we believe in opportunities for the future.

The Government accept the broad principles of the Browne review, with some amendments to make it more acceptable to the vast majority of young people who want to go into higher education. This reform package will offer more support to those on lower incomes, and will put higher education funding on a fairer and sustainable footing. It will be fair to students, taxpayers and universities—we must not forget that all those people have an interest and are involved. The Government's proposals go a long way to achieving all that, because they are progressive and will aid social mobility. *[Interruption.]* Opposition Members make sedentary comments, but they do not want to listen. They failed to get social mobility in the 13 years that they were in government; we have put forward more policies in the past five or six months to do more than they did in 13 years. Our aim must be to create a stable future for higher education, and to encourage a genuine market that will provide academic excellence and reinforce the international success of British universities. That is what we are about in this House and this measure today, and I commend it to everybody.

1.43 pm

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I congratulate my right hon. Friend the Member for Southampton, Itchen (Mr Denham) on an excellent speech, in contrast to what we have just heard from the hon. Member for Bexleyheath and Crayford (Mr Evennett).

May I bring the House back to the reasons why we changed the funding system for higher education in 1997-98? As my right hon. Friend said, there had been a 36% drop in funding per student over the previous eight years. There had also been an eight-year cap on the expansion of higher education, denying literally millions of young people the opportunity of higher education over that decade. We introduced a new system that almost immediately raised £1 billion—that was not instead of the resources that were already going in, but in addition to those—so that tens of thousands and then hundreds of thousands of young people with the qualifications to be able to enter higher education were able to do so. We introduced a contingent repayment system for the flat-rate loan for maintenance. We introduced a system of bursaries for maintenance called "opportunity bursaries" and a system in relation to the new fees that were being charged. It resulted not in 18,000 young people being exempt from the fee for one year or a maximum of two years, but in more than 40% of all young undergraduates being exempt from the fee and a further 30% having the fee in partial remittance. In other words, this was contingent on the income of the family, it took into account the ability to pay and it introduced a much fairer repayment system. All of it was designed to expand opportunity, to develop courses within the universities and, as my right hon. Friend said, to provide the opportunity to make our country the second destination in the world for students across the globe.

I wish briefly to deal with social mobility. I know more about social mobility than most, because my whole life has been an example of it, from when I was on day release and attending evening classes to when I took the opportunity to get to university as a mature student. I am telling this House and, in particular, the right hon. Member for Sheffield, Hallam (Mr Clegg)—if he were here—that he knows nothing about social mobility. The Government are removing the education maintenance allowance from constituencies such as mine, which ranks third lowest in Britain on past access to higher education; removing the child trust fund, which would have given young people a nest egg at the age of 18 and provided them with the incentive to go on and the funds to be able to repay loans; removing the Aimhigher scheme; and rolling in the so-called pupil premium by cutting 2.25% from the schools budget and then giving it back in something that is a sop to the Liberal Democrats, but which will actually be perverse in its impact across the country. Introducing a £9,000 a year fee on top of cuts in youth and careers services across the country is a deliberate, consistent and unfair attack on young people in our country and their future. That is why it should be rejected. It is not fair to young people and their families, it is not fair to universities, and it is not fair to our country and the future of Britain in a knowledge economy.

But this proposal is not necessary either because, as my right hon. Friend mentioned and as is clearly spelt out by the Office for Budget Responsibility, the borrowing that will be required to fund the loans in the first place will actually outstrip any gain that might have been made. Borrowing of £4.1 billion this year will increase to £10.7 billion in 2015-16, so far from helping us to tackle the deficit this adds to it. In other words, we are

making the deficit worse in the period when we are supposed to be reducing it. If the Government are right and the economy recovers—God willing, it will—we will be able to sustain the £3 billion that is being removed from teaching, rather than remove it.

Dan Byles (North Warwickshire) (Con): First, I wish to point out that many Government Members understand social mobility. I am the first member of my family to stay at school beyond 16 and to go to university. What would the right hon. Gentleman say to the low-income non-graduate workers in my constituency who ask me why the lion's share of the payment for degrees comes from their taxes to enable others to earn more money than they could ever hope to earn? Does he not accept that this is not as clear-cut and black and white as he is saying, and that it involves a very difficult balance between taxpayers and students?

Mr Blunkett: I recall arguing in 1997 that we should ensure that there is a fair balance; I used to use the analogy of those getting up at six in the morning to do a cleaning job. I know slightly more about that than the hon. Gentleman because many of my constituents do exactly that for a living. As my right hon. Friend pointed out, the perverseness of what is being introduced now will discourage people from going into work, from seeking promotion in work and from wanting their children to go to university in the first place.

Dan Byles: Will the right hon. Gentleman give way?

Mr Blunkett: No, I will not. I pray in aid the Institute for Fiscal Studies, because when it discussed this scheme it said that the system generates perverse incentives. For example, the national scholarship fund provides a financial incentive for universities to reject students when they charge more than £6,000. In other words, the higher-level universities will end up rejecting students from poorer backgrounds—the exact opposite of what has been argued this afternoon. The position is very clear: the scheme is designed to change the architecture of higher education in this country. It is ideologically based, not logically based—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the right hon. Gentleman. Stop the clock. Point of order, Mr Dan Byles.

Dan Byles: On a point of order, Mr Speaker. Is it in order for the right hon. Gentleman to make such a personal remark, suggesting that I might not understand how difficult it is to get up early to go to work? When I was a soldier, I used to get up considerably before 6 am to serve my country.

Mr Speaker: The hon. Gentleman must resume his seat. The short answer to his question is, yes, it is a matter of debate and, however irritated he might feel, that was not a point of order. We must conduct the debate in an orderly way.

Mr Blunkett: The answer is very simple. More of my constituents and those who visit my advice surgery understand those issues than do those of Government Members. That is a simple fact, and that is why this is a value-laden, ideological issue, not one of rationality, not one of deficit-reduction—

Mr Speaker: Order. We must now move on to the next speech.

1.51 pm

Greg Mulholland (Leeds North West) (LD): I rise to speak in a debate in which I do not want to speak. I do not believe that this debate should be happening today, and I do not believe that it should be happening in the way that it is. It is only seven months since the general election and the Government were formed; it is less than two months since we saw the Browne report for the first time, and it is a month—a month—since the Government announced their proposals on higher education. Yet, today, we are being forced to hold the significant vote, without considering the other proposals, with a mere five-hour debate.

I make it clear that I am a Government Back Bencher. I support the coalition Government and I support what they are doing. I also support, understand and accept that both parties and MPs in the coalition have to compromise, but let me tell you, Mr Speaker, being asked to vote to increase fees up to £9,000 is not a compromise. It is not something that Liberal Democrat Back Benchers or even many Conservative Back Benchers should have been asked to consider.

As you and the House will know, Mr Speaker, I tabled an amendment, which unfortunately was not successful. It was tabled in my name, that of the hon. Member for New Forest East (Dr Lewis) and those of Members from all parts of the House. That was the final attempt to get the Government to listen, because the simple reality is that, even if their proposals are the best way forward for higher education, and I do not believe that they are, the Government have to accept that they simply have not convinced people of that, not only on the Liberal Democrat Benches, but far more importantly among the wider public and, crucially, future students and their families.

Richard Graham (Gloucester) (Con): What does my hon. Friend consider to be a reasonable percentage of time to spend on this debate relative to the amount of time given by the previous Government to the debate about whether this country should go to war with Iraq?

Greg Mulholland: All I say to the hon. Gentleman is that sometimes Governments are wrong, and sometimes one needs to have the courage to say so. I am doing that today.

Dr John Pugh (Southport) (LD): Summarising this debate so far, one has to accept that the Secretary of State for Business, Innovation and Skills, my right hon. Friend the Member for Twickenham (Vince Cable), though very wise, does not know for certain that he is right, and that the right hon. Member for Southampton, Itchen (Mr Denham), though equally wise, does not know for certain that he is right. Does not the House need an opportunity to assess the results of whatever policy we adopt today, and not do something that is purely irreversible?

Greg Mulholland: My hon. Friend is entirely right. There simply has not been an adequate evaluation to allay the very real concerns out there.

[Greg Mulholland]

I am going to talk about the pledge. I did not sign just one pledge. I actually signed two: the National Union of Students pledge in this very House, and the Leeds university union pledge at the university. I do not regret signing either, but that is not the sole or, even, most important reason why I shall vote against the Government today. I shall vote against the Government today because I simply cannot accept that fees of up to £9,000 are the fairest and most sustainable way of funding higher education.

Before I became a Member, I opposed the Labour Government introducing fees in the first place, and I opposed the Labour Government introducing top-up fees. I said at the time, as did many hon. Members including courageous Labour Back Benchers, "This will lead one day to huge increases in fees and become a never-ending path." Sadly, that has been shown to be absolutely correct.

Mrs Anne Main (St Albans) (Con): Will the hon. Gentleman give way?

Greg Mulholland: I will not give way, I am afraid, because I have taken my two interventions and the hon. Lady will have the chance to intervene on other people. I do apologise

We do need to look at higher education funding, but we must look at it as a whole, within the education system and with apprenticeships and further education. Rushing through this single vote today will do none of that. On the current proposals, I have said all along, and look to the Minister for Universities and Science, my right hon. Friend the Member for Havant (Mr Willetts) as I say it now, that there are indeed many progressive things in the proposals. The levels at which graduates will have to make a contribution, the measures for part-time students and the £21,000 threshold are very welcome.

I fully acknowledge all those things, but we need to debunk a myth. All those positive things, which are in the proposals and are progressive in terms of the graduate contribution, do not need to be tied to a huge increase in fees. That is simply a non sequitur. It is simply not true to say, "You cannot have one without the other," and that is the crucial flaw in the Government's argument today.

The Secretary of State knows, and we all know, that there is much confusion about the proposals, but is that not another reason to have more time for the Government to try to convince people? He and all Ministers who support the proposals today have to accept that they have not won the argument, and rushing things through, given the concern and anxiety about how it has been done without proper parliamentary scrutiny, is simply a recipe for bad policy.

The idea is that, when we finally get to the proposals in the White Paper, they will deal with the deficit, but that is questionable. In the proposals to be put before the House in the White Paper in the new year, huge amounts of money will go from the Treasury to the universities, but the difference is that those figures will have been moved from expenditure and put into a different column. That is the reality.

The Higher Education Policy Institute report states that

"the proposals will increase public expenditure through this parliament and into the next",

and that

"it is as likely that in the long term the government's proposals will cost more than they will save."

It is smoke and mirrors, so I am afraid that the argument to increase fees to £9,000, albeit backed by progressive elements, is certainly not enough to persuade me. It is not enough to persuade many of my Liberal Democrat colleagues or, indeed, colleagues and friends from our coalition partner.

So, I say one last time, having done so over the past week, that it is not too late. There needs to be a re-think and a proper review of how we come up with the best system for higher and, indeed, all post-18 education. That should be done properly. It should not be rushed through; it should be done with proper parliamentary scrutiny.

To Liberal Democrat colleagues who are listening to the argument and say that we need to get this issue out of the way and get the pain over with, I say, this will not finish with today's vote, because there will be amendments to reverse the proposal when we do reach the White Paper.

I say to this House and I say to colleagues, for the sake of the Liberal Democrats, for the sake of this Government, for the sake of Parliament, please vote against these proposals tonight.

2 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I stand here with some trepidation in the sense that, in 2004, I made a speech in a similar debate and many of my colleagues howled at me and did not agree with much that I said. In those days, my Committee—the Select Committee on Education—had carried out an inquiry into top-up fees and had come out in favour of them. Of course, the majority was only five. I think that Select Committee report did have some influence.

I do not regret either the Select Committee report or my vote that day. However, I want to take us back briefly, so that we can try to learn something from history. We had a debate then because, with all-party agreement, we had set up the Dearing report. I have to say that Dearing was a far better choice to do such a report than Lord Browne, who produced the more recent one. The Dearing report essentially argued that if we want to move from an elite system of higher education to a mass system, somebody has to pay. In his view, the cost should be fairly distributed within society between the taxpayer, the individual who benefits and employers. That was Dearing's opinion.

We must all confront the fact that what we are talking about today and have discussed over past years is how to get that balance right. I do not think that anyone would want to go back to the days when the state paid everything or have a situation in which the student pays everything. I have to say, in the light of the Secretary of State's remarks, that employers have never been very willing to pay their share. Since 2004, we have developed a system in which there is a fair balance. However, I must remind the House that we—including my dear friend the right hon. Member for Sheffield, Brightside

and Hillsborough (Mr Blunkett), the former Secretary of State for Education and Skills—did not get it entirely right. We rushed the response to Dearing and got it wrong. We were rightly criticised for that, but we did get it right over time. That is why we had a second reaction and had to go for top-up fees—variable fees. That is when we got it right and I want to learn the lesson from that.

Policy made speedily and on the hoof is not good policy. I admire the speech made by the hon. Member for Leeds North West (Greg Mulholland). This piece of legislation is being rushed through in a way that is a disgrace to parliamentary procedure, to this House and to higher education. Are we the best in the world at automobile production? I do not think we are. Are we the finest in banking? I do not think we are. We could list the sectors in which we are not world class, but we are clearly world class when it comes to higher education.

Caroline Lucas (Brighton, Pavilion) (Green): The hon. Gentleman rightly spoke about the importance of employers paying their contribution towards higher education. Does he therefore support the University and College Union's proposal for a business education tax that would essentially be a corporation tax on the 4% of the biggest companies that benefit directly from graduates? That would generate £3.9 billion for higher education and would mean that we could scrap tuition fees altogether.

Mr Sheerman: I listened very carefully to that. It is an interesting idea. The timetable that the Government have put on this procedure means that we will not be able to consider serious ideas such as that.

I have some reservations about a graduate tax. The Select Committee has considered a graduate tax, as have other people, but there are some formidable difficulties with it. That is not to say that a graduate tax is impossible, but I can honestly say that we have not had time to develop it fully. That is true. In the same way, the proposals on which we will be voting today have not been thought through or mulled over, and the consequences of them have not been considered.

Someone asked what procedure we would like there to be. We have a procedure, which involves introducing a piece of legislation, publishing a Green Paper and discussing the proposals. When the Government have firmed up their ideas, a White Paper is published. During that process, there is discussion with the people who work in universities, who study in universities and who do wonderful research in our universities. There is actually discussion with the community. Can hon. Members imagine not talking to people in any other sectors on which we legislate?

Andrew Bridgen: I thought we just did talk to the electorate. We had a general election and the hon. Gentleman's party lost.

Mr Sheerman: We tend to get passionate in debates on such things. In fact nobody won the election. The Conservative party did not win the election because it did not get a majority. I was reflecting on that matter. When I used to teach politics in a university, I can remember many people arguing that it would be wonderful to have a coalition because it would temper the debate. People would not rush into daft policy because the minority party would say, "Hold your horses. We're not sure of this. Let's think carefully, let's do research and let's talk to the people in the sector." That is what we thought a coalition Government might do. I do not know if I was ever really persuaded of what a coalition would do. I believe that coalition Government leads to weak leadership, weak Government and some people getting their way by trampling on democracy. The higher education sector in this country is the best in the world. I think it is better than in America. The US might get more international students but, pound for pound, professor for professor, student for student, we have the best system in the world.

Charlie Elphicke: The hon. Gentleman is making a very principled speech. Does he agree that if the election had been won by the Labour party, the chances are that it would have implemented the Browne review?

Mr Sheerman: I do not believe that at all. Let me be straight with the hon. Gentleman. I believe that there is a great deal of strength in the Browne report. It refers to a deferred payment system, which is not a bad system. There are some good elements in the report. I like the section on part-time students and the fact that we will no longer pay a massive interest subsidy to people who do not need it in terms of the zero interest rate. There are some good things in Browne. If we could have had a conversation about the matter, we might, for once, have got some all-party agreement on the side of higher education, which is absolutely central to the future wealth, progress and happiness of this country—happiness is the favour of the moment, is it not?

If we pass the legislation, we will make some mistakes today that will punish people in this country, demoralise higher education and put us down the league in terms of our university sector. I hope that hon. Members vote against the measure tonight.

2.8 pm

Ben Gummer (Ipswich) (Con): I am grateful for the contribution of the hon. Member for Huddersfield (Mr Sheerman) because he gave the lie to the Opposition's argument. There is a great deal of agreement between the two sides, and I shall turn to that in a moment.

What worries me most is that the entire tenor of the debate is doing more to put off aspirant students than anything contained in the proposals. Government Members and those on the Opposition Benches who had the opportunity to go to university are, I am sure, deeply conscious of the privilege that we have enjoyed. Those of us who have but one or two generations of university attendants in our families are also aware of the advantages we have received as a result of that. To divide the debate artificially along the lines of those who are in favour of social mobility and those who are not is to misunderstand what we are trying to do.

I take my hat off to the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) whose passion for social mobility is undeniable. However, he had 13 years in which he played a long and influential role in a Government under whom social mobility went backwards. The gap between rich and poor widened. I do not doubt the passion and integrity of Labour Members who wish to see social mobility increase—that

[Ben Gummer]

is the case among Government Members—but they have had their opportunity and it did not work, and we must try again.

Liz Kendall (Leicester West) (Lab): The latest evidence on social mobility is based on a comparison between those born in 1958 and those born in 1970. Does the hon. Gentleman think it is right to say that people who were 27 years old when the previous Government were elected should be blamed for that?

Ben Gummer: I am afraid that I do not get the full gist of the hon. Lady's intervention. All I know is that every single study that has been done on social mobility and the gap between rich and poor under the previous Government has shown a slowing of social mobility and a widening of the gap.

Andrew Bridgen: Will my hon. Friend give way?

Ben Gummer: I will take one more intervention.

Andrew Bridgen: The right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) made an impassioned speech about social mobility, claiming that he knew more about it than anyone else. Perhaps he does, because he knows that social mobility runs in both directions given his extremely chequered history in office.

Ben Gummer: I happen to be one of the Government Members who admires the right hon. Member for Sheffield, Brightside and Hillsborough for the forthright way in which he stuck up for his principles in the previous Government. His passion is shared on both sides of the House, and I hope that we can contribute to the debate in that manner.

To my mind, the question is threefold. First, how do we widen and maintain access to higher education and participation across the spectrum? Secondly, as the hon. Member for Huddersfield said, how do we maintain and increase funding for our excellent universities? Thirdly, how do we do this within the boundary of the deficit? That has been forgotten by Labour Members and the fact is that if we do not deal with the deficit now, there will not be an economy and there will be no jobs into which graduates can go. There is no point, therefore, in constructing a policy that does not create jobs at the end of the road.

I address this issue critically and with some scepticism because some years ago I was in favour of free tuition. I have talked to the students in my constituency and I have talked to those at the new university in my constituency, and I have had very productive discussions with both groups. I pay tribute to those at the students union of university campus Suffolk, who have taken a very constructive approach. They understand the difficulty that the country is in, and understand also that students must make a contribution of some degree. They and I, and many Government Members and Labour Members, agree that whatever scheme comes in must ensure that access is widened. That is the litmus test. Within that, we must also ensure that funding is maintained for universities. The proposals put forward at the weekend will mean that the 25% of poorest students will do better under this system than under the current one, as was confirmed this morning by the IFS in a radio interview on the "Today" programme. That is the positive effect on social mobility, and it therefore ticks that box.

What, then, of university funding? University campus Suffolk is about 18 months or two years old. It is one of the newest higher education institutions in the country. It is a fantastic institution. For one that is still so young, it is already building several excellent areas of research capability, especially in regenerative medicine. I pay tribute to the provost, Mike Sacks, who is an inspirational man. I had a long discussion with him and, for me, the continuation of university campus Suffolk is critical to my voting in favour of these proposals; if that will not be the case, I cannot support them. I raised that point with him the other day and he felt that the degree of Government funding should be slightly more. However, on the basis of what he has been told and the comprehensive spending review, he said, "I am confident as I can be that we can move forward with our plans and ambitions under the proposed scheme." I therefore feel confident, apropos the institution in my constituency, that I can support these proposals, because the leaders of the university have the ability to do the extraordinary things that they plan with the scheme that is on the table.

I have several questions for the Minister, to which I hope he will reply at some point. I have an issue about how foundation courses will be dealt with. I should like to understand about long courses, not only those in medicine but those such as architecture where it might be problematic for small practices to pay students' fees in later years. We need a bit more clarity about visas for international students so that international income can be guaranteed. The data and transparency side of the deal must be fleshed out a bit so that students can understand what they are getting into.

I have one final question, and that is about an alternative. Many Government Members, while listening to these debates, have asked to see what alternative there is. Some alternatives have been put forward by the NUS. Its alternative seems to change every few weeks, but at least it has one. It seems that the Leader of the Opposition also understood that there had to be an alternative. He said on 29 June:

> "You're right to point out the practical issues... and that is why I want to consult widely before publishing detailed plans later this year."

We now have a few weeks left before the end of this year, and I have not seen a detailed plan. For those coalition colleagues who are having difficulty with this proposal, I understand their problem in many ways, because there is no alternative for them to consult. Her Majesty's Opposition have provided nothing for them to look at. In the absence of that, we must look at the plans that have been given.

Let me offer some counterfactuals. Do we cut university funding and not increase fees? If we put student fees up only to £5,000, which was one option mooted by Labour Members, Universities UK suggests that student numbers would go down by 25%. Alternatively, do we go for a graduate tax? The Leader of the Opposition has suggested that a graduate tax would appear to be so like a student loan system that it is hard to understand the difference between the two.

2.17 pm

Dr Alasdair McDonnell (Belfast South) (SDLP): Because time is worryingly short, given the importance of what is being discussed and the fact that so many Members wish to contribute, I will keep my remarks as brief as possible. Although I have much to say, I hope to accommodate others as best I can.

We need only look outside our windows, not just today but over the past few weeks, to see the strength of feeling that has been generated by this issue. I would like to offer my support to those students, many of whom are from my own constituency, who have come here to make a peaceful and reasonable protest. I have substantial sympathy for the case made by the hon. Member for Leeds North West (Greg Mulholland) about a serious conversation and a greater degree of consensus on the issue.

For me, the whole future of the high-tech, high-value-added economy to which we all subscribe depends very much on equality and access to third-level education. The Government have chosen—I reiterate the word "chosen"—to subject students who wish to study in England to the highest fees in the western world outside the United States. In my brief comments, I want to draw attention to how much—or should I say, how little?—consideration has been given to the impact that these measures will have on Northern Ireland, students from Northern Ireland, and indeed the devolved regions and students from those places as well. A large number of students from Northern Ireland, particularly from my own constituency, undertake their studies at universities in England and will therefore be subject to the higher fees. Indeed, in Northern Ireland nearly a third of our students move outside Northern Ireland; in my constituency, that percentage is even higher. As such, there is likely to be a dramatic increase in the cost to the Northern Ireland Executive—it has been placed at close to £30 million—in order to meet the generated costs.

Pete Wishart: Does the hon. Gentleman share my disappointment that this Government have given absolutely no consideration to the impact that this has on the devolved nations, including Scotland? Will he join me in trying to encourage the Government to think as much as possible about what these plans will do to Northern Ireland, Scotland and Wales? So far they have given that no thought whatsoever.

Dr McDonnell: I agree with the hon. Gentleman. It is difficult for those of us who come here attempting to encourage devolution and work to create a bridge between the devolved Governments in Scotland, Northern Ireland and Wales and the Government here in this House, because this action in many ways erodes and undermines the devolution that has taken place.

That is compounded by the problems with the Barnett formula and the implications for Barnett formulation. The consequential cuts to university teaching budgets have already been passed on to the Executive, so we are being hit twice in advance of any changes that might be made to student fee arrangements. We need considerable clarity on the new arithmetic that is being used in Barnett formulation if we are to understand the knock-on effects of the proposals.

Why should the Northern Ireland Executive face the penalisation of students through the student funding proposals, while their budget is already being penalised through the Barnett formula? We are forced to tread the nearly impossible path of protecting our students who wish to study at universities in England, while providing the funding that is necessary to sustain the universities in Northern Ireland. All too often, the argument is framed only in terms of the impact of the measures on England, rather than in the context of the devolved nations.

Thanks to Social Democratic and Labour party colleagues who have served in the Northern Ireland Assembly and as Ministers in previous Northern Ireland Executives, there has been since devolution a reduction in the number of people who pay fees. We reduced the amount of money that people had to pay and we were the first to bring back student grants to widen access for those on the margins and those who are impoverished in our society. That shows that progressive elements can be injected into the existing system without having to triple tuition fees or radically alter the system.

The measures proposed by the coalition Government will place enormous pressure on universities in Northern Ireland to raise their fees to match the fees in England.

Jim Shannon (Strangford) (DUP): I understand that the proportion of students from Northern Ireland who go across the water is up to a third. There will be an impact on the Northern Ireland Assembly and on its budget. There will be an impact on moneys that are already set aside, and we have made no allowance for that.

Dr McDonnell: The hon. Gentleman endorses exactly the point that I was making—we will be hit both ways. My party has campaigned ardently to protect the cap on fees for Northern Ireland universities, but we would be naive to ignore these measures. When fees go up in English universities, it will have a knock-on effect and fees will inevitably go up for Queen's university and the university of Ulster.

As I am sure you will have read between the lines of what I am saying, Mr Speaker, we do not believe that the measures are the right way to go about managing third-level education. We are not persuaded that they will improve access to higher education, particularly for those on the margins. We must oppose the measures, because we do not know what the fallout for Northern Ireland will be. We have set third-level education as a matter of the highest priority. We believe that the high-tech, high value-added economy that we want to see built in Northern Ireland can be delivered only through a high standard of third-level education that is accessible to all. Again, I repeat that it should be accessible, in particular, to bright young people from disadvantaged backgrounds, who struggle already to enter third-level education—these measures will further cut off such people.

The Government will cut spending on higher education and place the burden of payment on future generations of students, who, as they begin their careers, will face mountainous debts that they will spend much of their lives clearing. I was once a medical student, but I cannot imagine any medical student or student of architecture—as the hon. Member for Ipswich (Ben Gummer) suggested—now emerging from university with debts of less than £100,000.

[Dr Alasdair McDonnell]

There is also the problem that educational maintenance allowance has been withdrawn. That will massively compound the crisis for many of our poorest potential students, who may forgo the option because the threat of debt is much too high. The proposed increases to student fees run counter to our vision for third-level education and we will therefore oppose the proposals today.

2.25 pm

Andrew Percy (Brigg and Goole) (Con): This has not been the easiest of weeks, as I have wrestled with what is, to me, an incredibly important issue. We are all the sum of our experiences and our backgrounds. I say to the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) that it was outrageous to suggest that Members on the Government Benches do not understand people from ordinary backgrounds. I come from an ordinary background, as do many Government Members. I do not think that he enhanced the debate in the slightest.

I would prefer not to be making this speech on this issue, because I am a huge supporter of the coalition. I thought that the coalition was the right way to move forward and it has tackled some difficult issues with great speed and in the correct way. However, on this issue, the Government are wrong. I shall explain the particular problems that I have in a moment.

First, I will say something of my colleagues on the Government Benches who will vote in favour of the measures. Some of the criticism levelled at the people who support the measures has been incredibly unfair. The people who support the measures are not cruel or elitist, but have their own views and have come to their own hard-headed decision. They may think in different terms from me, but I do not like the way in which the debate has become polarised. I am sure that all hon. Members condemn the violence that has been associated with this issue.

I speak from my own experiences as a former schoolteacher, which I have mentioned on many occasions, and as the first person in my family to attend university—I know that I am not unique in that among hon. Members. I went to university on a full grant with all my tuition paid, shortly before tuition fees were introduced. I can only think about the impact that the proposed fees would have had on me and my family when I was growing up. Would my parents have encouraged me to attend university, had they thought I would come away with debts of £40,000 or £50,000? I do not think so. Similarly, many of the students whom I taught in deprived schools in Hull wanted to go to university, but when I encouraged them to do so, the response was often, "My dad says that we can't afford to go to university." That was after fees were introduced.

Since fees were introduced, the evidence has shown that although there has been widening participation, students from some backgrounds are not attending the best universities, as I said to the shadow Secretary of State. They choose where to attend based on money and finances, rather than on what is best for them. They often choose to stay at home.

Mrs Main: My hon. Friend is giving a very sensitive speech and I sympathise hugely. Indeed, I marched against student fees in 2004, because they opened a Pandora's box. He is right that the fairest thing is not to defer people with up-front fees, but to have pay-later graduate contributions. Labour let that out of the box, and there is no going back.

Andrew Percy: I thank my hon. Friend for that intervention. There is, of course, a choice to be made, and Governments can make whatever choices they want to make on important issues such as this. However, I do not think that the case has been made for this proposal, and I shall go on to say a little about that in a moment.

I have a particular issue with the loss of funding to the arts and humanities. It is wrong for the Government to say that there is no value to the state in the arts and humanities. We lead the world in research in the arts and humanities, and the loss of funding in its entirety for those who want to pursue degrees in those subjects certainly does not sit well with me.

I accept that the mechanism that the Government are proposing to put in place could not be much more progressive. I believe that it is fair, and that it will protect the poorest students. However, I have made the point to Ministers on several occasions over the past few days that we have not won the argument on that basis. Many of the choices that young people make about higher education are based on perception, and there is a perception out there that this measure will lead to huge debts of £40,000 to £50,000 at least. We have not won the argument relating to that perception.

Margot James (Stourbridge) (Con): My hon. Friend is making some good points, but does he accept that one third of students will be better off? The progressive nature of the proposal means that some students will never pay off their debt unless their earnings take them into the higher-rate tax band. Surely that is an argument against what he has been saying.

Andrew Percy: A number of hon. Members have made that very point today, and I accept that the principle of tripling fees—in many cases, they will go up not to £6,000 but to £7,000, £8,000 or £9,000—means that the system is progressive. My concern is that we have not had a proper debate. We have not had time to consider the options and we have not had time to have a sensible, grown-up debate—

Richard Graham *rose—*

Andrew Percy: I am not going to give way again, as I have only three minutes left and other Members wish to speak in this important debate.

My major concern is that, in the public's mind, we have not made the case for trebling tuition fees. I also have a huge concern about where our young people are going to end up going to university. Everyone knows that this is not just about tuition fees; we also have to take into account living costs. Speaking from personal experience, I was at university on a full grant and had no tuition fees to pay, but I left with considerable additional debts on my credit cards and so on. It is just

the same for students today, and that is going to continue. When we look at students' debt issues, we need to take into account not only tuition fees but living costs and the other debts that students inevitably rack up while they are at university.

Christopher Pincher (Tamworth) (Con): Will my hon. Friend give way?

Andrew Percy: I am not going to give way, because a lot of Members want to contribute to the debate.

I have struggled with this issue, as I hope Members will understand from my speech. I urge the Government to row back a little bit, to think again, to delay this decision today and to give proper, grown-up, sensible consideration to all the possible alternatives. I accept that the Opposition might well have found themselves in exactly the same position, and that they have not offered a credible alternative to this proposal. I am in a strange position, as I have said to my local paper many times over the last couple of days, because I do not have a credible alternative to it either. Perhaps I am therefore making an emotional decision rather than a hard-headed one, but I urge the Government to think again and to come back to the issue next year, in six months' time, when we have had a proper conversation about it. We get to do this only once, and if we cede the principle of £9,000 tuition fees, I will be deeply concerned about the message it will send to people out there. I need no more proof than the e-mail I received this week from one of my constituents, Cathy from Burton-upon-Stather. I am sure that she and her son will be supported, but the message that has gone out because of the debate on this issue is that she will not be able to afford to send her child to university. I can only wrestle with my conscience and stick to what I believe, and my view is that the Government have not made their case. I will not be supporting the proposal this evening.

2.33 pm

Emily Thornberry (Islington South and Finsbury) (Lab): I want to start by dealing with the main issue, before moving on to give the Liberal Democrats some advice.

The main issue is that the Conservatives say that there is no choice: they have to raise fees to make up the funding shortfall. There is a choice, however. They could choose not to cut the funding budget by 80%, and they could choose not to privatise university teaching. Perhaps this proposal is what one might expect from the Conservatives, but students and their parents trusted the Liberal Democrats when they voted for them, and they did not expect this. They believed Liberal Democrats when they said that they would oppose rises in fees; they believed Liberal Democrats when they said that they would get rid of fees; and they believed Liberal Democrats when they said that they wanted to be fair. I am sure that when the candidates, who are now Members of Parliament sitting on the Liberal Democrat Benches, spoke to students and promised to be on their side, they meant it. They probably did not know that, in April, their leadership was conspiring to drop that pledge if they got into government. When the right hon. Member for Sheffield, Hallam (Mr Clegg) looked into the camera and promised to be fair and not to raise fees, he did not tell them what was in his head.

Gordon Birtwistle (Burnley) (LD): Does the hon. Lady agree that if the previous Government had not left us in a desperate financial plight, on the edge of bankruptcy, we would not be discussing the problem today?

Emily Thornberry: I am grateful to the hon. Gentleman for raising that point because it is central and needs to be tackled. When the majority of people voted either Labour or Liberal, they voted for political parties that, at the time, stood for paying back the deficit responsibly, cutting not too deeply and too fast, but in the context of growth and jobs. Frankly, people who voted Liberal Democrat are desperately disappointed in the turn-about not only on tuition fees but on what we should do for the economy and what is best for the nation. The Liberal Democrats will not be forgiven.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Will the hon. Lady give way?

Emily Thornberry: If hon. Members will forgive me, I will not give way again—I want to get through my speech quickly so that others have an opportunity to speak.

As soon as he got into power, the right hon. Member for Sheffield, Hallam dumped his principles and pushed his Ministers into a new policy of tripling fees. Ministers then discussed abstaining from that policy, which they had developed themselves, and now they say that they will vote for it. The majority of people who voted Liberal or Labour did not vote for that.

Neither did people vote for cutting the education maintenance allowance. City and Islington college, as Ofsted confirms, is outstanding. It is a beacon college. Fifty-seven per cent.—2,500 kids—who go to City and Islington get the highest rate of EMA. Those are the free school dinner kids, about whom Government Members cry such crocodile tears. They will lose their money. How many will have the opportunity to do their A-levels and even apply to Oxford and Cambridge? People who voted Labour and Liberal Democrat did not vote for cutting EMA, for raising fees or for the terrible cuts that will decimate our communities.

The Lib Dem leadership has double-crossed the electorate and is not fit for office. The question for Back-Bench Liberal Democrats is whether they have the backbone to vote against the policy. Do they have the backbone to vote for their principles? Never mind pledges and promises, the debate is about principles. As politicians, we cannot say, "I've got a principle. I keep it in my pocket. I take it out occasionally and I polish it before putting it back in my pocket." Equally, if we get into government, we cannot take the principle out of our pocket and chuck it in the gutter. We have to apply our principles to power and do the right thing.

I have seen an e-mail from the hon. Member for East Dunbartonshire (Jo Swinson). It was written yesterday and is about principles. She says:

> "My view remains that the best solution is for higher education to be paid for from general taxation. Sadly, the voters did not agree, and with fewer than 1 in 10 MPs in Parliament, the Liberal Democrats are simply not in a position to deliver on all of our manifesto policies."

Well, compromise. Do it in the correct way by voting against tripling fees tonight. If people voted for the Lib Dems on the basis that fees would be cut or not go up, it

[Emily Thornberry]

is not consistent to vote for them to be tripled. Surely anyone can see that. If the Lib Dems do not vote against that and the terrible change goes through, any claim that they ever had to be the party of fairness is gone for ever, and they will never be forgiven.

2.38 pm

Mr Sam Gyimah (East Surrey) (Con): The hon. Member for Huddersfield (Mr Sheerman) decided to give us a short history lesson. He reminded the House of the debate on tuition fees here in 2004. That Bill passed by five votes. However, he did not say that, during that debate, we heard the same apocalyptic messages that we are hearing in the Chamber today. The issue then was fees increasing from £1,000 to £3,000. No Government Member says with relish that we should increase fees, but it is important to note that six years on from those debates, 45% of people go to university and 200,000 people want to but cannot go. The hon. Gentleman should therefore have told us that, although we were worried at the time, many of those worries proved unfounded.

Elizabeth Truss (South West Norfolk) (Con): Will my hon. Friend give way?

Mr Gyimah: May I develop my argument, please? I listened to the Secretary of State's argument. I like the fact that he has wrestled with his conscience, flirted with a graduate tax and finally come to the decision that the fairest policy is a graduate contribution. That is in stark contrast to the Opposition, who say that they had the fairest and most balanced solution to the student problem when they did not. What is unfair about the university system they have left us with is that for many people, the costs of going to university outweigh the benefits. That is why graduate unemployment is at 6% when it should not be.

Tristram Hunt: We are having the astronomical rise in fees because of the 80% cut in the teaching grant. We are dealing today with an assault on the entire ethos of the British university.

Mr Gyimah: The real test of policies is the outcome. What is coming out of the system that Labour left us? Lots of students are unable to find jobs when they come out of university, with employers telling them that their degrees are not worth the paper they are written on.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP) *rose*

Naomi Long (Belfast East) (Alliance) *rose*

Mr Gyimah: May I develop my argument?

Why is that outcome important? Unless we understand the outcomes we want from our universities, the debate on fees is totally out of context. I began as a sceptic. I adopted the view that we perhaps needed to row back and have a system that involved fewer people going to university. I thought that a system of grants could be better, or that we could charge less. However, the truth is that higher participation in higher education is here to stay, which is good. We must therefore work out how we can continue to fund that, and how to ensure that our universities remain world class and experiences such as mine at university—if parents cannot contribute, the student is really stuck—are not a key factor in the equation.

My hon. Friend the Member for Brigg and Goole (Andrew Percy) mentioned a mother who is worried that she is unable to fund her child's education. He is right to raise that concern, because a lot of people will feel that they must dip their hands into their pockets to pay the fees. However, more than anything else, the policy shifts the burden from parents—students pay when they have graduated and when they benefit.

Mr MacNeil: Will the hon. Gentleman give way?

Mr Gyimah: No, thanks.

Everyone has omitted to say that when people graduate, they earn about £100,000 more than people who do not.

Andrew Percy: The situation is that working class families, who are least able to support their children at university, will bear the additional costs. That was my point.

Mr Gyimah: If any lie has been perpetrated in this debate, it is that working class children who want to university cannot get there—*[Interruption.]* May I finish? The truth is that our education system is so bad that for a lot of underprivileged kids, the whole concept of university is simply academic.

Mr MacNeil *rose*

Heidi Alexander (Lewisham East) (Lab): Will the hon. Gentleman give way?

Mr Gyimah: I want to develop my argument.

Let us look at the proposal in simple terms. Before I went to university, if someone had said to me, "Sam, if you want to improve your life, I will give you money so you can go and do that. When you finish, come back to me only if you have found a job. I'm not going to charge you any interest unless you're earning more than a certain amount, but I want you to improve your life, so go ahead and do so," I would have bitten their hand off.

Mr MacNeil: Will the hon. Gentleman give way?

Mr Gyimah: No, thanks.

If we are to be responsible in this debate, we must explain the policy rather than trade the same political points that we traded six years ago, which have proved to be unfounded.

Paul Uppal (Wolverhampton South West) (Con): Will my hon. Friend give way?

Mr Gyimah: No, thanks.

We have also seen the old notion of class warfare revamped this week. I saw it mentioned somewhere that Harvard had better access than some of our higher education institutions. What was omitted in that article was the fact that Harvard charges huge fees, and that is

how it funds access. I am not saying that we want to go the way of Harvard, but there is a way to have high participation and fees and still ensure that the least advantaged make it.

That cannot happen just through fees. We need to reform our education system in total. I am glad that the Secretary of State mentioned the need for further education colleges to get more involved in the delivery of higher education. I am pleased that the 40% of students who are part-time students, who have previously had to fund themselves, will now have access to funding through our current policy proposal. I am pleased also that he mentioned that we will help people make their investment decision about which university to go to, through information about which courses will lead to employment and benefit them and whether they will ever see their tutors. Those things drive equality in the education system.

The motion is purely about fees, but fees are just one part of an entire package of higher education reform. Rather than play politics, we have to examine the whole package before casting judgment on it.

Heidi Alexander: I thank the hon. Gentleman for finally giving way. Does he not accept that for students from poorer backgrounds, the huge debt that they could now face will act as a greater disincentive to go to university than it will for students from more affluent backgrounds?

Mr Gyimah: The truth is that under our current system, it is the middle classes who benefit the most. The people whom the hon. Lady defends are not getting to university, and we need to reform the system so that university is not the same for everyone – three years on campus, costing the same amount of money. There need to be more options for people to get to university over time.

Tony Blair gave an aspirational target of 50% going to university, and I actually like that aspiration. I am glad that, with this policy, we can continue to drive aspiration forward. The past was not right, because there was no utopia of social mobility. The present is letting students down, because they are not getting jobs.

Madam Deputy Speaker (Dawn Primarolo): Order. Time is up.

2.47 pm

Mr David Lammy (Tottenham) (Lab): I am very grateful for the opportunity to contribute to this debate, particularly as a former Higher Education Minister.

Young people outside this building are deeply angered, concerned and frustrated by the debate that we are having, and it is right that we all reflect on a generation that may inherit something far less than many of us in the Chamber did. Many of us grew up in a period of largely full employment and pretty generous pension schemes into which the system had paid over a sustained period. Many benefited from free education, which is at the heart of this discussion.

Mr MacNeil: Will the right hon. Gentleman give way?

Mr Lammy: Not at this point.

The decision that we made in 2004 was not that we should move away from free education, because of course it was not free. Taxpayers were pooling resources to contribute to the higher education of this country. We decided, alongside the taxpayer, to ensure that individual students and universities made a contribution to higher education.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does my right hon. Friend agree that those who argue that students need not be frightened of £9,000 a year fees, because they will not be paying up front, entirely fail to recognise that for someone who comes from an immediate family in which no one has ever been to university, or maybe even stayed at school past 16, the prospect of debts of £50,000, or possibly £100,000 if they want to be a doctor, must be off-putting? Coalition Members have to put themselves in the position of those ordinary families.

Mr Lammy: My hon. Friend is absolutely right. We should reflect that fees of £9,000 a year could total up to debt of between £40,000 and £50,000 on completion of a university course. That is substantially more than the annual incomes of many of our constituents.

Several hon. Members *rose*

Mr Lammy: I will not give way because I want to make some progress.

That is substantially more than the £3,000 we introduced. The essential ingredient of this debate is that we are breaking the partnership between student, state and university. We are saying that the state can step out of the arrangement, and that the arrangement should be entirely between the student and the university. It is my contention that that is unacceptable.

When we set up the Browne review, we specifically asked Lord Browne, in the terms of reference, to look also at the fourth constituent part of the arrangement that also benefits. I am talking about employers. Multinational companies in this country benefit greatly from graduates, so I am disappointed that Lord Browne spent effectively 300 words on them. It was heartening to hear the Secretary of State mention employers; I just wish he had not done it so late, and I wish he could attach a figure to what their contribution should be. If this is a genuine partnership, it must be one between students, the state, universities and employers. That is why this is so unfair and why people outside are so angry.

It is right for students to say, "What do we get for that £9,000?" There should be something before the House explaining what they will get for that money. Let us remember that, because universities had been so badly underfunded under a previous Conservative Government, the fee we introduced was topping up a big black hole in university finances. In fact, much of the tuition fee we introduced went to lecturers' pay and salaries. Many people still believe that they cannot fully identity what they got for their contribution, so as we move to £9,000, should not the Government come forward and say, "For this money, these are the contact hours you will have with your lecturer. For this money, this is the size of your tutorial. For this money, we will be able to tell

[Mr Lammy]

you what your employment prospects will be afterwards"? But there is nothing before the House about what the student gets for the contribution they are making.

A young girl approached me this week who wanted to go to my old university—the School of Oriental and African Studies. She wants to study development studies. She is a young black woman in my constituency. However, owing to the message the Government are sending on arts and humanities, and on the worth of doing development studies at SOAS, she is doubting whether it is worth coming out with debt to the tune of £40,000 and doing a subject such as development studies. I say to the Minister for Universities and Science that surely we recognise that we live in a multi-disciplinary, inter-disciplinary world. We do not just want scientists; we want those who study the humanities. We see in universities cross-disciplinary activity producing beneficial results, so why has he chosen to withdraw funds from arts and the humanities and teaching in this manner?

The Minister for Universities and Science (Mr David Willetts) *rose*

Mr Lammy: I have one minute left, so I will not give way. We will hear from the right hon. Gentleman later—*[Interruption.]* I have one minute left. I will not give way. The clock will not stop.

We have seen what our best universities are doing on access. Why should the London borough of Richmond send more young people to Oxbridge than Barnsley, Rochdale, Middlesbrough, Hartlepool and Stoke combined? That is unacceptable—and this measure will make it worse. It is unacceptable that 21 colleges across Oxford and Cambridge did not take on a black student. What will this do to address that problem?

That is why the people outside this Chamber are so angry and frustrated. If the Minister believes that this debate will stop as a result of the vote tonight, he is mistaken. It will continue, and I will join the students and their parents in the protest.

Several hon. Members *rose*

Madam Deputy Speaker (Dawn Primarolo): Order. I call Mr Steve Brine, but I should say that he cannot just sit and smile; he has to stand up to indicate that he wishes to speak. Fortunately, I thought that he might want to speak.

2.55 pm

Mr Steve Brine (Winchester) (Con): Indeed I do. I apologise for that, Madam Deputy Speaker, and I thank you for calling me.

I am a new Member in this House—obviously—but there are some things that I have learned in the short number of months that I have been here. When proposals come before us, I always ask two questions: first, can we stick with the status quo and bury our heads in the sand; and secondly, can we put off until tomorrow what needs to be done today? The conclusion that I have come to on the proposals before us is that the answer to both those questions is no. The current funding model for higher education is simply not providing enough money to support the growing number of students who want to go on to higher education. As it stands, we turned away just under 200,000 young people this year. Funding per student is now lower in real terms than it was 20 years ago. As someone once said, "We can't go on like this." *[Interruption.]* Opposition Members may want to listen.

As my right hon. Friend the Prime Minister said yesterday, we cannot allow our universities to fall behind the rest of the world. India is building new technology institutes and new universities, and in the next 15 years the number of graduates from Chinese universities is expected to grow fivefold, so what do we do? Do we turn millions more young people—people like me—away from aspiring to go to university? I do not want to send that message out from this House. If that is what the Opposition have decided, that is their decision, but it is certainly not mine. Do we just increase state funding to higher education, so that fees can either stay as they are or, as some in this House would like, be abolished altogether? We know that we cannot do that because, once again, the country faces ruin after a Labour Government.

As Mr Blair's new Government proved, simply increasing the money from the Exchequer was not possible in '97, when we had a fantastic economy, which was bequeathed to Labour, and it is certainly not possible with the wrecked economy that we face today.

Paul Farrelly: Will the hon. Gentleman give way?

Mr Brine: No thank you.

I strongly supported setting up the Browne review. I did not sign any pledges about what it might or might not recommend—I think that was the right decision—and I welcome a new system in which no students will pay up-front fees. It is also a system in which, for the first time, part-time students will pay no fees up front. That is a real development. I welcome lifting the repayment figure from £15,000 to £21,000, and I very much welcome the repayment figure being linked to earnings.

I am new here, and I have wrestled with this decision like no other. I opposed the £1,000 fee in 1998 after the Dearing report, because I feared that it would breach the principle of free higher education. I said that there would be no turning back, and I think that I was right about that. I was not in this House then, but my party opposed top-up fees in 2003-04, because we feared that they would restrict access to higher education. I have to say that I think we were wrong, and we have been proved so, because the number wanting to go keeps going up and up.

Mr MacNeil: If the hon. Gentleman is such a fan of tuition fees of £9,000 per annum, will he pay £9,000 in retrospect for every year that he was at university? He is not duty bound to do so, given that he was not charged when he was at university, but he can freely pay now. He is at liberty to do so. If he so strongly believes in the principle of paying tuition fees, will he now pay £9,000 for each year that he was at university?

Mr Brine: I do not know whether the hon. Gentleman has access to my bank accounts, but if he did, he might not have asked that question.

Whether or not we all agree that 50% of young people should go to university, that is a decision that millions of young people and families across the country choose to take. That is the situation that the House faces. I hope that these proposals will put higher education funding and student finance on a sustainable footing, improve the quality of university degrees and put a progressive support package in place for students that will not deter access on account of the absence of up-front fees.

The Minister will be disappointed in me—I am glad to see him back in his place—if I do not make a point once again about Aimhigher. I think it works and that it has been proved to work, and it worries me that it is disappearing. I urge the Secretary of State and the Minister for Universities and Science to revisit this decision or, at the very least, to do more to safeguard the functions of Aimhigher. Aimhigher Hampshire is based at the university of Winchester in my constituency: it does a very good job.

Mr Willetts: I am grateful to my hon. Friend for giving way—unlike the right hon. Member for Tottenham (Mr Lammy). I would like to assure him that Aimhigher has produced some valuable initiatives and that individual universities can carry them forward. Indeed, under the new requirements we are introducing for the Office for Fair Access, we will expect them to take initiatives to broaden access. The best of Aimhigher will thus survive in a new form.

Mr Brine: I am glad to hear that. The Minister knows that I will be back and will hold him to that assurance. I also urge him—perhaps he will come back to it when he winds up the debate—to ensure that what universities such as the university of Winchester charge is not pegged at £6,000. They must be free to charge where they see fit within the £6,000 to £9,000 range.

I take no great ideological pleasure from today's decision, but to govern is, indeed, to choose. I agree with the Deputy Prime Minister that to govern is not to abstain, but to choose. I shall support the proposals. We can support or not support only the proposals before us—not those that we would like to be before us. I will support them.

3.2 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I am grateful for the opportunity to speak against the motion on behalf of all my constituents, especially the teenagers who have e-mailed me over the last few days asking me to do so. I want to talk about what the Government's plans will mean for many of those young people, if not all of them.

In a Liberal Democrat press release during the election campaign, the Deputy Prime Minister said:

> "If fees rise to £7,000 a year, as many rumours suggest they would, within five years some students will be leaving university up to £44,000 in debt. That would be a disaster."

I am sure that this is going to be the only time I find myself saying this, but "I agree with Nick." Even if most universities charge the minimum of £6,000, it will still be a disaster. If most of the more prestigious universities charge £9,000, it would be an even bigger disaster.

For many young people in my constituency, fees of £27,000 will prove the ultimate deterrent to carrying on their education and realising their academic potential. If their ambition were strong enough, they would still find themselves having to think very seriously about going to a local university—to avoid the living expenses—rather than to the best university that would accept them, based on their ability. Indeed, comments made by the Secretary of State in the last debate on this subject lead me to believe that this is exactly what he intends people to do. I find that totally hypocritical, given that he had the opportunity to live in Cambridge and attend a top university.

Do not get me wrong, Madam Deputy Speaker, as many of the local higher education providers in my constituency are excellent for both the quality of teaching and the student experience. The university of Sunderland was recently declared at *The Times* higher education awards as the top university for the student experience. That does not mean, however, that staying local offers the best possible educational opportunities for everyone in my constituency. Many of my constituents are able enough to earn a place in a highly sought-after course elsewhere in the country, and it is imperative that they should feel able to apply to such institutions to study such courses without their main focus being on the potential cost.

Gavin Williamson (South Staffordshire) (Con): The hon. Lady talks about top universities, but the Russell group of universities says:

> "There has been much misinformation about the effect of fees on access. The evidence is clear that fees do not deter poorer students from university—particularly when combined with a progressive repayment system, precisely as the Government is proposing."

Does that not destroy her argument?

Mrs Hodgson: Not at all. That is rubbish, and I totally disagree with it. As hon. Members have said, the proposal will put off people from working-class backgrounds going to any university, let alone a top one.

Of course the headline cost—the £44,000 spoken of by the Deputy Prime Minister—will not remain static. I have done my sums, and assuming my constituents graduate with a debt of £40,000 and are lucky enough to find a job that pays £21,000 in a market ravaged by the Government's cuts, that debt will start to creep up. We hear that the interest rate will be 2.2% plus inflation. I note that for the purpose of raking money in, the Government have chosen the retail prices index, yet for paying out—say, in benefit uprating—they have chosen the lower measure of the consumer prices index. If we add the current RPI to 2.2%, we get 7.1%, which will mean an interest payment of £2,840 per annum on a debt of £40,000. To keep up with that interest and stop the debt rising, a graduate would need to earn more than £52,000 a year.

Most people in this country, graduate or otherwise, would consider themselves lucky to earn £52,000 by the age of 52, let alone 22. Where is the sense in the Government's proposals if many graduates will have a bigger debt at the end of 30 years than they did when they graduated? On my calculations, I estimate that large numbers of students will have their debt written off under the proposals. How is that a better way of

[Mrs Hodgson]

doing things? At least under the previous system graduates were able to pay off their debts, if they were working, on average within 11 years.

Concessions have been outlined over the past couple of days, as they were when the matter was discussed in a debate in Westminster Hall secured by my right hon. Friend the Member for Tottenham (Mr Lammy). They must have been drawn up on the back of one of the Deputy Prime Minister's ever-growing pile of empty fag packets, but their announcement gives me the impression that someone in the Government must recognise the damage that their plans will do to the life chances of many young people and to the wider economy. It beggars belief, therefore, that they are still pressing ahead with them.

Christopher Pincher: I do not know who has done the hon. Lady's sums for her—possibly the shadow Chancellor—but they do not add up. Graduates in my constituency on a median salary of £24,000 are currently paying back £810 a year. Under the coalition's proposals, they will be paying back £270 a year. For graduates, that is real practical help, which her party never gave.

Mrs Hodgson: I inform the hon. Gentleman that I did my sums myself. I have them here, and I will forward them to him so that he can see the truth of the matter.

The Government's reckless behaviour in this and other areas of policy directly affecting young people, such as scrapping the EMA without proper scrutiny, shows that the policies are less about pragmatism and totally about dogmatism. Incidentally, I urge my hon. Friends to read the illuminating article in *The Times*—written in 2003, it must be said—by the current Secretary of State for Education. The article highlights exactly how the minds of those in this Administration work, and how they will be worse for our constituents than even the Thatcher Administration, who ruined lives and wrecked communities.

If Liberal Democrat Members file obediently through the Government Lobby tonight, their betrayal will not be forgotten, and they will never be taken seriously again by their constituents. For the sake of young people throughout England, I sincerely hope that they will manage to locate their spines between now and the putting of the Question, and will join me and other hon. Members in opposing this regressive and deeply divisive motion.

3.10 pm

Mr John Leech (Manchester, Withington) (LD): I welcome the opportunity to speak in the debate, although, like my hon. Friend the Member for Leeds North West (Greg Mulholland), I wish that the Government had been persuaded not to press ahead with the plans, and that they had not been necessary.

I do not intend to speak for long, because I think I made it clear last week, during the Opposition day debate, where I stand on the issue of increasing tuition fees. I will vote against the proposed increase, and I was one of the signatories to the amendment tabled by my hon. Friend the Member for Leeds North West.

I take no pleasure in voting against the plans presented by my right hon. Friend the Business Secretary. In fact, in many ways I welcome some of the proposals that have followed the Browne review. Increasing the level at which graduates must pay back any money to £21,000 is certainly an improvement on the current £15,000 threshold. Treating part-time students in the same way as full-time students by not charging them any up-front tuition fees will be of benefit, and providing additional support for students from poorer backgrounds is also a step in the right direction. The Institute for Fiscal Studies has rightly confirmed that the proposals are more progressive than the current regressive tuition fees system. However, I will vote against an increase in tuition fees, simply because I think that a higher cap will discourage some young people from going to university in the future.

Paul Farrelly: I, too, signed the cross-party amendment tabled by the hon. Member for Leeds North West (Greg Mulholland). I am sorry that it was not selected.

The hon. Gentleman mentioned the Browne review. Coalition Front Benchers have made some play of rejecting the upper figure of £12,000, but does the hon. Gentleman agree that by also rejecting the clawback and the disincentive mechanism in the review, the coalition Government have made it more, not less, likely that the top fee of £9,000 will be charged?

Mr Leech: I rather suspect that most universities will want to reach that £9,000 limit even if they choose not to do so initially. When tuition fees were first introduced, it was clear that universities wanted ultimately to charge as much as they possibly could.

Graham Stringer (Blackley and Broughton) (Lab): I am pleased to learn that the hon. Gentleman will be going into the correct Lobby this evening. However, he has only dealt with half the equation. Can he explain to the people in his constituency—the people of Manchester—why he voted for an £80 million cut in the Manchester university fee as part of the £3 billion cut in university grants?

Mr Leech: That is not relevant to the debate, or to the point that I am trying to make. The proposals mean that the least well-off quarter of graduates will be better off than they are under the scheme introduced by the last Labour Government. However, the flaw that I see in the proposal of my right hon. Friend the Business Secretary is that no one goes to university believing that they will be among the bottom 25% of graduates. Their assumption will always be that they will have to pay off the whole of their student debt, although for a large proportion of them, that will never be the case. I believe that a number will be put off choosing to go to university in the first place.

Chris Bryant (Rhondda) (Lab): Will the hon. Gentleman give way?

Mr Leech: I will not give way a third time.

As I said earlier, I signed the amendment tabled by my hon. Friend the Member for Leeds North West. However, I also strongly support the amendment tabled by my hon. Friend the Member for Cambridge (Dr Huppert). Along with most other Members who

are graduates, I benefited from a free education, and left university with a very small amount of debt. I am not about to vote to leave future graduates with tens of thousands of pounds of debt. I hold to the old-fashioned principle that a university education benefits the country and the economy as well as the individual. Graduates who are successful and earn high wages after they leave university pay more taxes and repay the cost of their university education that way. I am therefore slightly disappointed that the amendment to which I have put my name has not been selected and will not be voted on, because that vote would have revealed which Members support the principle of free education, and Opposition Members would have had a chance to show their support for the existing unfair regressive fees system. We are not going to get that opportunity, however.

All we are getting from the Opposition is pathetic political opportunism. The House witnessed that last week, yesterday and this afternoon. The Leader of the Opposition has suggested he supports a graduate tax, but is not prepared to tell us how much it would cost and how many graduates would be worse off under his proposals. This week we are told that the shadow Chancellor has had a road to Damascus-style conversion to the concept of a graduate tax; either that or, more likely, he has had a North Korean conversion to the graduate tax. Both the Leader of the Opposition and the shadow Chancellor were members of the Cabinet that introduced the Browne review with the explicit intention of raising tuition fees. Nobody in this House or outside it should be duped into believing that Labour would not be proposing an increase in tuition fees if they were still in government. While I welcome their convenient conversion to opposing a rise in tuition fees, the House should be under no illusion: if they were in government they would be doing exactly the same as what is being done today.

3.16 pm

Robert Flello (Stoke-on-Trent South) (Lab): I listened with great interest to the contribution of the hon. Member for Manchester, Withington (Mr Leech), particularly when he talked about political opportunism. I seem to remember that being on every page of the Orange Book, the bible of the Liberal Democrats. Perhaps the hon. Gentleman should have a word with the Deputy Prime Minister about political opportunism.

I am conscious that I do not have much time to speak in this debate, which is a great pity. Yesterday we debated, at insufficient length, how much time we would have for today's debate but, yet again, a Liberal henchman moved the closure motion at the behest of his Tory string-pullers. *[Interruption.]* Thank you.

I should declare an interest. My daughter is currently at university. She is studying a course involving applied theatre and education. The course will not exist after next year, however, because the university is cancelling it, as it is one of the courses the university will not have the funding for because of the 80% cuts.

Mr Kevan Jones (North Durham) (Lab): When my hon. Friend's daughter made the decision to enrol on that course, did she follow the advice of the hon. Member for East Surrey (Mr Gyimah), who said young people should choose which course to study as an investment decision?

Robert Flello: I am grateful to my hon. Friend for that question, because the course my daughter chose is of great benefit to the community as it looks at applying theatre in places like prisons and special schools. She looked upon the course not as an investment for herself, but as an investment much more broadly.

Mr MacNeil: In Scotland, Labour's tuition fees were abolished by the Scottish National party. Does the hon. Gentleman think that Labour made a mistake by putting tuition fees on to the political landscape?

Robert Flello: I knew that it would be a great gift to give way to the hon. Gentleman, but I think he knows the situation in Scotland well enough.

Staffordshire university and Keele university serve my constituency and the wider local area. Combined, they are looking at £100 million-plus of cuts: cuts that will affect every possible course, and certainly ones that greatly benefit my constituents. We have heard from Government Members that the cuts are all somehow the fault of the previous Labour Government—I am sure that they will all start shouting, "Yes" in a moment—but they seem to have forgotten the bankers. They have forgotten that it was the banks and the global banking crisis that got us into this mess and that other countries were looking to the previous Prime Minister and Chancellor for a way out of it. If the problems, which require such massive cuts and therefore these fees, are all about cutting the deficit, will Government Front Benchers say that in four years' time—when they intend to have paid off the deficit—these proposals will be reversed and the money will go back into the higher education sector?

Mr Matthew Offord (Hendon) (Con): Will the hon. Gentleman give way?

Robert Flello: No, I will not give way to any Government Member because they shamefully voted for the programme motion yesterday, so they clearly do not want any debate to take place.

Let us consider the impact on students. We are trying to raise aspiration in areas such as Stoke-on-Trent and wider north Staffordshire and to get more students into university. Indeed, in the past few years, the number of students from north Staffordshire going to university has gone up by more than a third, which is a huge increase. I have been contacted by a great number of students who are at university in and around north Staffordshire. Many constituents and families have been in touch. I have with me a handful of the e-mails I have received. I have also received many letters and callers to my office.

Let me quote from what Jasmine wrote to me. At 20, she is the eldest of four children. Her family are all professionals, being in the police force, the civil service or the army. Her mother is a social worker. Like many of my constituents, her family are good, decent, working people who work locally in and around north Staffordshire. Jasmine is currently at Staffordshire university and wants to be a teacher after she graduates—something she could not do if she did not have a degree. She tells me:

"I am enraged that the government is going to raise university fees".

[Robert Flello]

She receives only a maintenance loan because her parents work in areas such as social work and the police force and are not therefore able to fund her. Like many people in the Chamber and the wider community, they have children from a previous marriage who also need to be funded and taken into account.

Tristram Hunt: My hon. Friend's constituency and mine share Staffordshire university, which is also dealing with the cuts to its university quarter being driven through by the Government. Why does he think the Government are so anti-university when every other nation in Europe is investing in its science and universities at this time of recession?

Robert Flello: My hon. Friend puts the point extremely well. I do not think the Government are anti-university per se, although we have heard some interesting comments from the hon. Member for East Surrey (Mr Gyimah), who said that our education system is "so bad"—perhaps he was following the Prime Minister's lead in talking down British universities, students and teaching. I think they are more interested in promoting elitism.

Mr Offord: Will the hon. Gentleman give way?

Robert Flello: No, I will not, for reasons that I have stated. Perhaps the hon. Gentleman should have voted against the programme motion last night; then I would have given way.

Mr Gyimah *rose*

Robert Flello: The same goes for the hon. Member for East Surrey.

Jasmine's letter continues:

"This generation and the one following are the future of Britain and the government should be investing in them not making it impossible for people to afford, grow and be educated."

That is just one of many e-mails and letters I have received.

Is this feeling particular to students or to my students? No it is not. A ComRes poll for ITV said—if I can find it—

Mr Offord: Let me help the hon. Gentleman.

Robert Flello: No; I will not take the hon. Gentleman's help. He can resume his seat.

A ComRes poll for ITV News found that 70% of the public agree that higher tuition fees will deter students from poorer backgrounds from going to university and that only 17% think they will not. A recent Ipsos MORI poll found that raising fees to £5,000 a year would deter almost half those from deprived backgrounds who would otherwise go on to higher education and that raising fees to £7,000 a year, let alone £9,000 a year, would cut the number who do so by nearly two thirds.

This is a shamefully short debate, because hon. Members should have had a proper opportunity to take part. I would have taken interventions had the Government not shamefully curtailed the time available. This debate will rage on outside this place among the disgusted people of this country. *[Interruption.]*

Madam Deputy Speaker: Order. It is not necessary for Members of this House to count down. The clock is perfectly accurate. Although feelings are running very high and arguments are being put forcefully, courtesy can still be shown in this Chamber.

3.26 pm

Alok Sharma (Reading West) (Con): We have heard much self-righteous indignation from the Opposition about the proposed rise in tuition fee levels, but no real acknowledgement of why these decisions are having to be made. The fundamental reason why the coalition Government are having to make difficult choices on public expenditure is the shocking state of the public finances left to us by the previous Government.

Anas Sarwar (Glasgow Central) (Lab): Is it not the case that the UK spends only 0.7% of its gross domestic product on higher education, compared with the OECD average of 1%? So this is not an economic decision, but a political decision taken by the coalition.

Alok Sharma: This is an economic decision. The Labour party left us with a mess, they have absolutely no plan and they come here trying to oppose a fair policy that we are putting forward. The Opposition have talked about the proposed tuition fees increase "pulling the ladder" away from poorer students, but that clearly is not the case. Such talk is pretty rich coming from a party whose policies in government were pulling the ladder away from the whole country. In case Labour Members are suffering from collective amnesia, I should remind them that it was their party that first introduced tuition fees, that subsequently increased tuition fees threefold in 2004 and that cut hundreds of millions of pounds from higher education when in office. It was also their party that initiated the Browne review, because it knew that changes had to be made in higher education funding. In *The Times* of 13 November, the shadow Chancellor, who was the higher education Minister in 2004, was reported to have said that Labour should have gone for higher fees at that time, perhaps of £5,000 a year.

Gordon Birtwistle: Does the hon. Gentleman agree that it is a total disgrace that the previous Prime Minister has not been seen since May and has not returned to this Chamber to explain this and apologise to the students outside for putting them in this position?

Alok Sharma: I could not agree more with my hon. Friend, who makes a very good point. It is clear that Labour's opposition to the change in tuition fees is all about party politics and opposition for its own sake.

Several hon. Members *rose*

Alok Sharma: No, I will not give way now. That approach comes from a party that appears to have no consistent or developed policy on higher education funding. The Leader of the Opposition, who is not in his place, has said that that Labour party policy is a "blank sheet of paper". Well is it not time that he started scribbling on it? The Opposition have raised a number of objections to the proposed tuition fees increase. They say that it will put people off going to university,

that it will have a negative impact on social mobility and that, overall, the increase is just not fair. Let us examine each of those points.

Will the increase put students off going to university? Tuition fees have been in place for more than a decade and the number of students has increased by 44%. Why the increase? It is because students realise that having a good degree adds value to their prospects and is a passport to a better job. OECD figures clearly indicate that UK graduates earn, on average, 50% more than those who finished education at A-level.

Mr MacNeil: Will the hon. Gentleman give way?

Alok Sharma: No, I will not just now because I want to make some progress. The proposed changes will be an important step in ensuring that the money follows the student and will go further towards making universities more accountable to students as customers.

I do not subscribe to the view that the proposal will reduce social mobility, because it ensures that no one has to pay anything up front and no one has to repay anything until they earn at least £21,000 a year, a 40% increase on the current figure. Everyone, whatever their background, will be able to take advantage of the opportunities offered by a university education.

Mr MacNeil: If the hon. Gentleman is such a supporter of tuition fees, will he pay £9,000 for every year that he was at university?

Alok Sharma: Another tax rise. That is what we get from the Opposition. Another tax rise. They left us with the biggest budget deficit of all time, and now the hon. Gentleman proposes that we increase taxes further. That is their answer to absolutely everything.

Let me continue with the proposed extra help. Through the national scholarship programme, the increase in maintenance grants and the required checks to ensure that universities take people from disadvantaged backgrounds before they are able to charge more than £6,000, social mobility will be further encouraged. But social mobility—

Several hon. Members *rose*—

Alok Sharma: No, I will not give way, because I do not have much time left.

Social mobility starts at school, and a report in November 2008 by the Teaching and Learning Research Programme, called "Widening participation in higher education", concluded that a lack of attainment at secondary school was the biggest factor in non-participation in higher education. So it is highly disappointing to see the OECD figures, published over the last few days, which show that secondary school pupils in the UK have fallen well behind their international counterparts, a fall presided over by the previous Government. Between 2000 and 2009, we slipped from seventh to 25th place in reading skills, from eighth to 28th in mathematics and from fourth to 16th in science. The Opposition are not in any position to lecture us on improving social mobility.

I urge all Members also to take note of all the university vice-chancellors and principals who, in a letter in *The Daily Telegraph* yesterday, expressed their fears that social mobility would be curtailed if the regulation were not passed this evening. They said:

"If the vote on Thursday fails, the alternative is likely to be a reduction in students numbers that would be enormously damaging to social mobility and would seriously hamper Britain's ability to adapt to the economic needs of the future. We urge MPs and peers to support the Governments proposals."

Are the proposals being discussed today fair? Well— [HON. MEMBERS: "No!"] Well, we cannot continue with the current system. All parties agree, and that is why the former Labour Government proposed the Browne review in the first place. Labour seems to be flirting with the concept of a graduate tax.

Nadhim Zahawi (Stratford-on-Avon) (Con): Does my hon. Friend not agree that that flirtation with a graduate tax is short-term opportunism for which the Opposition will pay dearly?

Alok Sharma: My hon. Friend is absolutely right. A graduate tax would mean that poorer graduates paid more and richer graduates paid less, which is neither fair nor progressive. A graduate tax would also be a tax for life, rather than the maximum period of 30 years in the proposed scheme.

The coalition's proposed system is fair. The Institute for Fiscal Studies says that it is more progressive than the current system, and the Opposition have proposed no system at all. It is fair to all taxpayers that students, who will on average earn significantly more than non-graduates in their lifetime, make a contribution to their education after they graduate; it is only fair to full-time and, now, part-time students and their parents that they do not have to find any money up-front; and it is fair because graduates will pay less per month than do they under the current system.

I hope that, rather than playing grubby politics with the aspirations of a generation of students, the Opposition will be honest with students and taxpayers. I hope that they join us in offering students increased opportunity and a greater stake in their own education, instead of raising false expectations that an as yet unexplained utopian alternative exists. I urge all Members to support the regulations.

Several hon. Members *rose*—

Mr Speaker: Order. In view of the level of interest, after the next speaker has spoken I am afraid I am imposing a new limit of four minutes on Back-Benchers' speeches to try to get as many in as possible. I call Naomi Long. Six minutes.

3.34 pm

Naomi Long (Belfast East) (Alliance): I am grateful for the opportunity to participate in the debate, which will have profound implications for the devolved Administration in Northern Ireland and for my constituents. I hope to come to that point later. However, given the time constraints, my remarks will not be as comprehensive as I would wish. I shall consider briefly just three aspects of the proposals with which I take issue: the first is the principle underpinning the changes; the second is the effect on social mobility; and the third is the impact on Northern Ireland's students and universities.

[Naomi Long]

First, I shall discuss the principle underpinning the introduction of tuition fees. The increase in fees and the reduction in the grant to universities for teaching is based on the premise that students are the main beneficiaries of a university education and that they should therefore make a specific contribution to the cost. I take issue with that. I may be unusual in doing so, although I am glad to see that some Liberal Democrat and Conservative Members have indicated that they also take issue with it.

One of the principal benefits to a graduate from their education is higher earnings. However, that is already accounted for in a progressive manner through general taxation. Over their lifetime, graduates pay more than 40% more tax than a non-graduate. The higher earnings of a graduate are therefore accounted for through taxation. However, although graduates benefit from studying, society also benefits from their degree. For those hon. Members who have asked how, I simply say that every time someone goes to their pharmacist, dentist, doctor, sends their child to school or university, drives over a bridge or on a road, or turns off a tap in their home, they are benefiting directly from someone else's university education. Employers benefit from increased competitiveness. In Northern Ireland, our international competitiveness and ability to attract direct foreign investment and develop spin-out economic activity linked to research and development are dependent on having well-educated graduates in our population. That benefit is extended to everyone.

Like the hon. Member for Leeds North West (Greg Mulholland), I was opposed to the introduction of tuition fees and top-up fees. I am also opposed to these proposals, which will further shift the responsibility for university funding on to individual students and away from wider society. A number of hon. Members have referred to the introduction of tuition fees as opening a Pandora's box. I think the introduction of tuition fees is akin to a conversation between a man and a woman in which the man says, "Would you sleep with me for £1 million?" The woman then says, "Yes," and the man says, "Now we've established the principle, let's negotiate the price." What we are doing today is negotiating the price, not the principle. Labour Members should take that into account in what they have to say.

When Labour established the principle of tuition fees and top-up fees, market forces were introduced into the university system. Yesterday, the Deputy Prime Minister said that he would like tuition fees to be scrapped, but that he lives in an imperfect world. I share his aspiration. I am opposed to the measures, not least because by cutting the teaching grant and moving reliance on to individual contributions, the chance for scrapping fees moves from being an aspiration to a pipe dream.

Social mobility is hugely important and my views have been influenced heavily by my personal experience. Neither of my parents had the opportunity to go to university and both went out to work when they were 14. Indeed, my father did so to fund the education of his younger brother. That situation may become more common in the future, as tuition fees rise. For me, the opportunity to attend university was life changing. I had the benefit of a maintenance grant and did not have to pay fees. That financial support was critical to me. My father died when I was 11 and my mum was on a state pension by the time I made it to university. Without making the sacrifice of what was, effectively, six years of deferred earning, when I could not contribute to the household and was reliant on my mum, I would not have been able to get my education. It was the right decision for me, but it is one I fear that other students might not have the opportunity to take.

People from lower-income backgrounds tend to be more debt adverse, and that is deeply engrained in their psyche. Full cognisance has not been given to that in developing the proposals. I want other young people to have the opportunities that I enjoyed. I therefore cannot support the proposals.

As I said last night, the decision taken in this House today will have a profound effect on students from Northern Ireland and on the devolved Administration. An independent review is taking place under the auspices of the Department for Employment and Learning in the Northern Ireland Assembly. However, the report made it clear in its initial phase that it would be very difficult for us significantly to vary from the situation in England.

It was also made clear in the Grand Committee that the Barnett consequentials of a decision that has not yet been taken have already been factored into the budget. I have no doubt that the hon. Member for East Antrim (Sammy Wilson) will have more to say about that in due course.

Mr Nigel Dodds (Belfast North) (DUP): I agree almost entirely with the hon. Lady's comments. Does she now regret that during the election campaign she received the wholehearted endorsement of the right hon. Member for Sheffield, Hallam (Mr Clegg) and that she was so effusive in her support for the Lib Dems?

Naomi Long: No, I do not regret receiving the right hon. Gentleman's support during the election campaign. I am thankful to be here as an Alliance party Member representing its policies and not as a Liberal Democrat Member. I think that the right hon. Member for Belfast North (Mr Dodds) is well aware of that.

In Northern Ireland, this will be a matter for the Northern Ireland Assembly. However, if a balance cannot be found between protecting Northern Ireland students who may be deterred from attending university, and underfunding our participation rates, there are serious implications for rebalancing the Northern Ireland economy, which the Government have said is a priority for them. It is hugely important that our universities in Northern Ireland are considered powerfully in this. Northern Ireland universities have some of the best participation rates among lower socio-economic groups. One of those is a Russell group university—Queen's university Belfast. Lessons could be learned from the arrangements that it has put in place to widen participation to support students into education. We should not simply dismiss this as a matter that concerns only English students without giving full consideration to students from Northern Ireland. It is hugely important that the situation in Northern Ireland is fully considered. Although there are progressive measures regarding the repayment of these fees, I cannot, on balance and in the absence of a full package, give my support to what has been put before us.

3.42 pm

Nick Boles (Grantham and Stamford) (Con): In the short time available to me, I want to focus on the question that really vexes most people in all parts of this House: what effect do the different systems of university finance available to us have on social mobility? Will this Government's proposals encourage more people whose parents did not go to university to do so? As we have often heard, there are many very strong opinions in this House on the answer to that question. Many Members believe fervently that the fees proposed by the Government will deter people whose parents did not go to university and who come from families on low incomes from going to university. It is also true, as we heard earlier, that some opinion polls suggest that a very large proportion of people say that they will be deterred from going to university. Yet people do not always do what they say they are going to do—*[Interruption.]* We are all flawed.

I have tried to find research to give us some facts to work with, because projections of what people will do are not nearly as interesting as the facts about what they have done. Several countries operate their university systems on the basis of quite substantial fees, chief among them the United States, Australia, Canada and New Zealand, as well as ourselves. Unfortunately, there is not much research out there that goes into the question of the kinds of people who go to university, but fortunately I have found one such piece of research conducted by a group called Higher Education Strategy Associates. It carried out a truly systematic comparison of what it calls educational equality and it discovered, extraordinarily and against our expectations, that high fees do not deter people from low-income families from going to university.

Mr Gyimah: Is it not the case that in countries such as France, Italy and Holland where there are no fees for university education—that is, where it is free—there is not the mass participation that occurs in countries that have fees?

Nick Boles: My hon. Friend is, as ever, way ahead of me and exactly right. The reverse of what one might have expected is true. In Germany, 63% of the student population—*[Interruption.]* Please listen to this, because it is important. In Germany, 63% of students have fathers who also went to university. That means that only 37% of the students in Germany are the first in their family to go to university—the figure in the UK is 51%. Only 29% of students in Australia have fathers who went to university. The figure is only 31% in Canada and 39% in the United States.

The countries in which universities make the biggest contribution to social mobility are therefore those with the highest fees. How can that be? I agree that it is counter-intuitive. I will not deny to Opposition Members that that is not how one would expect people to behave. However, it is explainable.

First, such universities have an incentive to expand the number of places, because they receive additional money for each place—enough money to pay for the costs of that place. They therefore massively expand the number of places. That makes it easier for people who have not had huge advantages in life, who have not been able to go to the best schools and who do not have the highest grades, but who are nevertheless huge potential reservoirs of talent, to get places.

Susan Elan Jones (Clwyd South) (Lab) *rose*—

Nick Boles: I will give way one last time.

Susan Elan Jones: I am reluctant to disturb the hon. Gentleman, but I wonder whether he has read the Institute for Fiscal Studies report, which states that under the proposals, graduates from the poorest 30% of households

"would still pay back significantly more than under the current system".

That concerns a large number of hon. Members.

Nick Boles: The Institute for Fiscal Studies, like everyone else in this debate, talks about what it thinks will happen, rather than what is actually happening in comparable countries.

The second explanation is that universities that earn a substantial income from fees are able to devote more resources to active steps to woo students from poorer families. They need a lot of wooing because they are frightened about what will happen. Such universities not only invest in wooing students from poorer families, but support them with bursaries and scholarship grants. The university with the best record in the world in participation from low-income families is Harvard university, which charges tuition fees of $32,000 a year. It can do that because it offers scholarships and bursaries to ensure that people are not put off. It goes out into schools and actively recruits people from low-income families.

Finally, this idea works because universities innovate. They come up with different kinds, shapes, lengths and costs of courses. Some courses take place over longer periods with lots of part-time study.

I believe that this House should operate on the basis of fact and evidence. The evidence is that the Government proposals will increase the participation of people from poor families, and that is why I support them.

3.48 pm

Yvonne Fovargue (Makerfield) (Lab): I place on record my opposition to the huge rise in tuition fees and the disproportionate effect that it will have in Makerfield, compared with more affluent areas of the country.

I will commence my remarks at the stage before people apply for university. We have lost the Aimhigher programme, which succeeded in raising the horizons of disadvantaged learners in my community and in motivating them to achieve and to progress. Many young people in my constituency have low aspirations and narrow boundaries, and feel that many of the goals that we are discussing are not for them. That was illustrated when I toured one of the last schools to be completed under Building Schools for the Future. A year 7 pupil, who went around it with me, kept saying, "Look at this, isn't it wonderful? Is it all for us? Isn't it a bit too good for us, really?" Unfortunately for my constituency, the untimely demise of Building Schools for the Future has reinforced that view. That makes the Aimhigher project all the more vital. At all costs, we must avoid a return to the situation in 2004, when schools in Wigan had no links to universities and when many pupils had never been to a university campus, nor spoken to somebody who had started at university.

Mrs Jenny Chapman (Darlington) (Lab): I have given the progressive nature, or otherwise, of the proposals a great deal of thought throughout the debate, and I have managed to find one way in which they are progressive. It is that they will enable some hard-pressed Labour candidates to progress into Liberal Democrat seats at the next election.

Yvonne Fovargue: I thank my hon. Friend for that intervention.

Encouraging young people in Makerfield to consider university, and to consider which university course is right for them, has been difficult enough without bringing in the added complication of the huge rise in costs due to the trebling, in some cases, of tuition fees. Not only will potential students from poorer backgrounds be deterred from further education completely, but those who are determined to proceed will feel pressure to choose the most affordable course, even though it may not be the right one for them.

The average student debt will rise massively to £40,000, according to the University and College Union. In Makerfield, that equates to just over half the cost of the average terraced house, the kind of property in which many of my constituents live. The idea of taking on that amount of debt at a young age, and also having to plan for a future later, is unimaginable and frightening to many people.

Mark Hendrick (Preston) (Lab/Co-op): Many of my hon. Friend's constituents live fairly close to my constituency, which houses the university of Central Lancashire. Many of our constituents probably thought that £3,000 was quite a lot when the Labour Government originally voted to introduce tuition fees. In fact, we found that £3,000 fees did not close the market. The vice-chancellor of the university of Central Lancashire tells me, however, that fees of £9,000 will close the market, as they will frighten people off going to university.

Yvonne Fovargue: I absolutely agree with my hon. Friend.

In my constituency, a traditional working-class community, debt is regarded as a bad thing, and parents do not encourage their children to take on levels of debt on this scale. For me, education has always been a partnership between the individual and the state. It involves an investment on both sides. However, this rise in tuition fees, coupled with the cuts to the university teaching budget, has shifted that. The loss of funding for many courses, particularly in the arts, humanities and social sciences, has transferred the funding solely to the students of those subjects.

Gavin Williamson: Will the hon. Lady give way?

Yvonne Fovargue: No, I will not give away again.

Those shifts in funding cannot be fair or right. Is this the society in which we want to live, where we know the price of everything and the value of nothing? Young people in my constituency are angry; they feel let down. They have been e-mailing me and urging me to vote against this increase. I am glad that those people are angry, but I worry about the ones who have not contacted me, who perhaps feel that this unfair policy is all that they deserve, and that they can expect nothing better. It is not what my constituents deserve; they deserve the best chances in life, and I shall vote against this policy to ensure that they get them.

3.53 pm

Rehman Chishti (Gillingham and Rainham) (Con): I rise to support the Government's proposals on the basis that they are fair, just and progressive. I have formed that opinion on the basis of my own personal experience, having gone to a local secondary modern high school in a tough catchment area which closed the year I left, and having been the first in my family to go to university. I am still paying back the tuition fees from the Bar vocational course that I took before qualifying as a barrister. I was also an executive member of the National Union of Students in Wales between 1998 and 1999.

In the light of that experience, do I feel that the Government's proposals will allow students from all different backgrounds to go to university and reach their potential? The answer is that I most certainly do feel that anyone who wants to go to university will be able to do so, and will be able to reach their true potential. The concepts of aspiration, hard work, determination, dedication and perseverance are crucial to getting someone to university, through university and beyond.

Paul Uppal: I come from a working class background—seven children in a two-up, two-down. My parents took two jobs and I did not qualify for a grant because they supported my extended family in India. I worked my way through university. Is it not the case that it is not money, but individual personal ambition and aspiration that drives people?

Rehman Chishti: I thank my hon. Friend for making that pertinent point. It is not simply about money, but about aspiration, commitment, dedication and determination to go to university. My hon. Friend makes an excellent point.

Chris Bryant: May I put a slightly different version of the facts to the hon. Gentleman? By the end of a three-year, perhaps four-year course, somebody could have debts of £40,000 or £45,000. For many people in my constituency and in many mining constituencies in this land, that is more than the value of their home. That is the equation that goes through their mind.

Rehman Chishti: The hon. Gentleman makes a pertinent point. I was at university in Wales and I know the community there. However, the key element is that there are no up-front fees and that is why the motion is a good one.

One has to consider the overall package rather than single elements for its progressiveness, fairness and justness. As well as there being no up-front fees, the increase in the threshold from £15,000 to £21,000 has to be a good thing. There will be a cap at £6,000 and then at £9,000, linked to exceptional circumstances. Some of the highest-performing universities will have to go out and ensure that students from less privileged backgrounds take part. That is absolutely right and fair.

Richard Graham: Does my hon. Friend agree that, a student who goes on to earn £25,000 a year—the average salary—will repay that loan at the rate of £30 a month for 30 years, and that that represents a substantially good deal?

Rehman Chishti: My hon. Friend makes a very good point. To ensure that students from different backgrounds can go to the some of the highest-performing universities, we must also make sure that students from less privileged backgrounds have better grades at GCSE and at A-level. I therefore welcome the initiative of the Secretary of State for Education on the pupil premium and the student premium as a way forward.

Increasing the maintenance grant from £2,900 to £3,250 is a good thing for students from families earning under £25,000. Students whose parents earn above £25,000 and up to £40,000 will still be able to get a partial maintenance grant. Beyond that, those from families earning £42,000 to £60,000 can be given loans so that they can go to university. Students in my constituency who go to study in London can have London weighting paid on their maintenance grants.

Part-time students were treated unfairly and unjustly for so long. They often got a raw deal—and they were often mature students and disabled students. It was wrong that they could not get funding to ensure that they could go to university and fulfil their potential. Our policy on that is absolutely right.

It is right and proper that money should follow the studen: so that universities have to improve student experiences and ensure that they improve the quality of education.

The previous Government's policy of 50% going to university was wrong and misplaced. Instead, they should have ensured more vocational qualifications and apprenticeships because we all have different abilities and talents, and they must all be nurtured. In essence, we have to look at the reason for being in this mess: the previous Government's mismanagement of the economy. [HON. MEMBERS: "Oh!"] That will not do. We have one of the worst financial deficits in the G20—the legacy that the previous Government left us.

3.59 pm

Sammy Wilson (East Antrim) (DUP): I feel some sympathy for the Liberal Democrats, having served in a coalition in Northern Ireland and knowing the compromises that people must make. I can understand that they were in a difficult position, but when people put their signature to a pledge, stick a photograph of themselves on it to make sure that people know who signed it and make that pledge a main part of their party manifesto, going for the kind of policy that we are discussing today is not a compromise—it is an abject surrender.

Stephen Pound (Ealing North) (Lab): No surrender!

Sammy Wilson: Quite right.

Of course, there are other things that the Liberal Democrats could have compromised on. Was a referendum on a voting system that happens to benefit their party—although perhaps no voting system will benefit them in future—a higher priority than their manifesto pledge on fees? Given the choice between increasing fees by 200%, despite making a firm commitment not to do so, and creating a voting system that happens to benefit their party, I suspect that most people would say that the priority ought to have been to stand firm on fees.

People may say, "What's this got to do with people from Northern Ireland, because after all, under devolution, it is up to the devolved Administrations in Scotland, Wales and Northern Ireland to decide their higher education policy?" but that is factually incorrect, because ahead of this vote the Government decided that resources that would have been taken out of higher education were taken out of devolved budgets. Northern Ireland will therefore lose more than £200 million as a result of a decision made on the basis of a vote that has not yet been taken. That restricts the ability of devolved Administrations to set their own policies.

Jim Shannon: My hon. Friend is in a unique position, because he is the Finance and Personnel Minister in the Northern Ireland Executive. Will he indicate what impact the increase in tuition fees will have on the Executive's budget?

Sammy Wilson: I have indicated the impact of the policy on the budget, but the policy also impacts on the ability of the Executive to restructure the economy. It is important for us to have a supply of skilled labour that will attract inward investment.

Let us consider two of the arguments that have been made today. First, people have said that the policy has everything to do with helping to reduce the deficit and dealing with the economic mess that was left. However, the proposals will lead to more borrowing. The flow of money from graduates will not come through immediately—it will take a number of years—so the deficit will not be reduced. That is not even good economics, let alone good politics. The Browne report says that 70% of those who take loans over the next 30 years will default on all or part of them. Who will pay for that? It will be the taxpayer. Therefore, the public finances will be no better off, unless the plan is to pass greater costs on to students in future. The policy does not make economic sense.

Secondly, many Government Members have argued that the policy will have no impact on the poor, but the proposed scheme accepts that it will. Why have a national scholarship scheme or all the other things that have been put into the system if the policy will have no impact on the poor? Of course it will have an impact the poor, as the Government themselves admit.

Lady Hermon (North Down) (Ind): The hon. Gentleman is the Finance and Personnel Minister in the Executive, and I am curious, as I am sure the House is, to understand how much consultation the Secretary of State undertook with the devolved Executive. The Secretary of State knows how serious the implications of his policy are for students from Northern Ireland who go to universities in England and Wales.

Sammy Wilson: The hon. Lady makes a very good point. We hear a lot about the respect agenda for the devolved Administrations in Scotland, Wales and Northern Ireland, but as far as I am aware there have been no such discussions. Members have argued that there needs to be far more discussion of the details of the scheme and its impact on other Administrations across the UK.

[Sammy Wilson]

That would have been another argument for supporting amendment (b), which was not selected, and it is therefore an argument for voting against the motion.

I have one more point to make, which has not been made so far. Raising fees to the suggested level of £9,000 will make it easy for universities simply to take the easy way out. Rather than examine whether they deliver an efficient service and spend every pound well, they can simply pass the cost on to the consumer—in other words, the student. That will be unfair to students, but it will also go totally against what the Government say they want to do, which is to make public spending more efficient. For those reasons, we will oppose the motions. We believe that they could have been introduced in a much more consensual way, but that was not done. The Government will be poorer for that, and the whole system of higher education will suffer as a result.

4.6 pm

Anna Soubry (Broxtowe) (Con): May I first declare the following interests? I have a daughter who is currently a student in her second year, and my youngest daughter anticipates going into higher education and going to university in 2012. I am also a former member of the executive of the National Union of Students, which was obviously a considerable time ago. I took part in many a march to this place with people who are now Members not just on my side of the House but on the Opposition side. We did not march peacefully—we shouted out our protest, but we did march lawfully. We should all say that the cause of those who oppose the motions has been done no service whatever by the antics of what may be a minority. That has done nothing but set back their cause, and we should all condemn that criminal activity.

I had the benefit of getting my degree at no cost to myself—I am of that generation, as are many others in the House. However, I wish to say, notably to the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), that this comprehensive-educated girl needs no lessons, please, on social mobility. It is to the eternal shame of the Labour party that after 13 years, far from advancing people who attended the sort of school that I went to, it set the process back.

Mr Blunkett *rose—*

Roberta Blackman-Woods (City of Durham) (Lab): Will the hon. Lady give way?

Anna Soubry: Forgive me, no. Time is so short that Opposition Members may well say that they want to hear less of me, not more.

I feel that there should be considerably more honesty, notably from Labour Members, about the legacy they left us. That legacy is not just in relation to the deficit, because 45% of youngsters leaving school now go into higher education. I pose this question: has that actually been to the benefit of them and the nation? There is a really good argument that we have had an over-expansion of higher education that has devalued degrees and falsely raised the expectations of young people of my daughters' generation. It has also led to an undervaluing of the skills, ability and achievements of those who have not gone into higher education. That is why I am so proud that this Government have increased the number of apprenticeships by up to 75,000.

Clive Efford: Will the hon. Lady give way?

Anna Soubry: No, sir. Another day.

What I would say to the Secretary of State, apart from the fact that I admire his courage in all that he has done in recent times, is that I wish him to look again at our proposals in relation to those who repay early. Many families will now save to assist their children through higher education, and I respectfully submit that it would be wrong to penalise them for their thrift in saving for their children's future.

If we really want social mobility, and if we really want to give people from the most deprived backgrounds the opportunity to enter higher education, we need to improve our schools, to ensure that those who are bright but from bad and difficult backgrounds have the opportunity to move into higher education. That is all part and parcel of our determination to increase social mobility in a way that has not been done in the past 13 years.

4.10 pm

Jeremy Corbyn (Islington North) (Lab): This debate takes place with an unprecedented number of young people all over the country following the proceedings in Parliament and discussing in their colleges, universities and sixth forms what their future holds and what life has in store for them. Tens of thousands of them have come to London today, and I am disappointed that a very large number of them are apparently being kettled by the police in Parliament square and the streets around Parliament. Surely we want to send out the message that we welcome students to London, welcome their supporters and welcome people who wish to take part in the democratic process and lobby MPs peacefully. I hope we can get the message out that that is what we are trying to achieve today.

Those young people who are discussing and debating—and, indeed, occupying some universities—are arguing for the right of all young people to have the opportunity to go on to college or university education.

Jake Berry (Rossendale and Darwen) (Con): Will the hon. Gentleman give way?

Jeremy Corbyn: I will not give way, because I only have four minutes.

I believe that many of the students are protesting for altruistic motives. Most of the current generation of university students will continue to pay the existing—and, in my view, exorbitant—level of fees. They are protesting for the next generation. They are doing it because they believe in the value and opportunity presented by higher education. The coalition Government have come up with a threefold increase in fees that will saddle students with debts of £27,000 for fees alone—never mind the rest of it.

When young people in inner-city areas or the poorer communities in our country are asked, "What are your prospects? What do you want to do?", many say, "I want to study. I want to qualify. I want to go to

university. I want to achieve something in life." If we tell them, however, that unless they are very poor they will have to pay these fees and borrow money to survive and get through university, they simply will not do it. They will go and do something else, and the result will be that all the progress we have made over the past few years on widening participation in education will be set back. If we add to that the ending of the education maintenance allowance, which is a crucial factor in encouraging young kids from poorer backgrounds to stay on at school and do A-levels, national vocational qualifications and all the things that are good for them and their lives, those kids will simply leave at 16 instead.

By this vote today, we are destroying the opportunities, hopes and life chances of a whole generation. I believe strongly in public investment in public services and public education. The Secretary of State should be utterly ashamed of himself, because in effect the Government are reducing to 40% the level of funding for universities, increasing the privatisation of universities and courses, and ending academic independence. We need to tax the wealthy. We do not need a graduate tax or an increase in income tax to pay for it. Some £6 billion has not been collected from Vodafone thanks to a cosy deal with Her Majesty's Revenue and Customs. That is actually more than the total amount paid through tuition fees over the past year.

I signed a pledge not to vote for a fees increase, I voted against the fees increase in 2004 and I voted against the introduction of fees in 1998. Liberal Democrats were on the same ticket at the time—hon. Members should stand up for what they believe in and vote no.

4.14 pm

Dr Julian Lewis (New Forest East) (Con): Normally when I am called immediately following the hon. Member for Islington North (Jeremy Corbyn), it is to disagree with most of what he has said, but today is an exception. I endorse most of what he said.

I begin with an apology to the House and the Business Secretary, in that an unbreakable commitment on the Intelligence and Security Committee prevented my being here for his opening speech. Had I been here, I would have sought to intervene and remind him of our exchange when he made his statement on 12 October. I asked him:

"Will it not be a sad day for academic meritocracy if and when able students from poor backgrounds are deterred from going to top universities because those universities are allowed to charge more than other universities in fees to students?"

He replied:

"Yes, the hon. Gentleman is quite right, and for that reason he will recall my comments about the need to be careful about following through the request of the Russell group universities for unlimited fees. There are serious problems with that. Of course there are advantages in terms of world-class universities, but we need to be careful about going down that road, and we will reflect further on it."—[*Official Report*, 12 October 2010; Vol. 516, c. 165.]

Well, the right hon. Gentleman has reflected. He has wrestled very publicly with his conscience, and his conscience has turned out to be the loser. Of course we have not gone right down that road, but we have gone a good way down it by allowing some universities to charge 50% more than others.

Geraint Davies: I am grateful to the Swansea-born Member for giving way. Taking that further, is he sympathetic to the Welsh Assembly's position of limiting fees to £3,000 and limiting cuts to 35%, rather than 80%, accepting that what is proposed is a political choice, not just an economic choice?

Dr Lewis: I do not know what the Welsh Assembly plans to do to balance the books, so it would depend on the context. I will, I hope, come to the context that I would propose, which hon. Members may agree with or quite violently disagree with.

Guto Bebb (Aberconwy) (Con): Will my hon. Friend give way?

Dr Lewis: For the second and last time.

Guto Bebb: As a Welsh Member, I think that it is worth pointing out that the university system in Wales is already underfunded compared with that in England. As a result of the Assembly's decision, which was made for PR purposes, the situation will get worse.

Dr Lewis: I am certainly not going down the road of turning this into a debate about the affairs of my birthplace, except in so far as it brings me on quite nicely to why I take such a strong stance.

If I have any reputation at all, it is as something of an expert, but in one, rather narrow field—defence and security. I claim no expertise at all in matters of education policy or financing. However, I do claim experience in the matter that we are talking about today. It may be worth people knowing that every hon. Member gets about 15 seconds of fame—if not 15 minutes—when, eventually, *The House* magazine comes to him or her and invites them to take part in the production of a profile of their past and their value system. I want to go back to that one occasion, in January 2001, when I was asked to supply my profile. I said:

"I grew up in Swansea and went to the same state grammar school as my father, Sam. The difference was that he had to leave at 14 to help his father as a tailor. He used to tell me,"

when I asked him, that I did not need to know about tailoring, because

"he would be the last of the tailors in my family,"

as now there was a system of students grants. I continued:

"He is an exceptionally intelligent man who would undoubtedly have succeeded at university if he had been able to complete his education in the late 1920s,"

in the same grammar school that I went to.

"The university grant system gave me my opportunity, and I never approved of the changeover to top-up loans—let alone for tuition fees."

I have been listening to some of the arguments—we are beginning to go round and round the same track—but I was particularly struck by the elegant process of ratiocination by my hon. Friend the Member for Grantham and Stamford (Nick Boles). He was able to make a convincing case that the more we charge people to go to university, the more people will go and the more poorer people will go. In that case, I am tempted to vote against the Government on the grounds that they are not charging enough. Perhaps we should charge quadruple fees, quintuple fees or even sextuple fees, to ensure that the entire population of the country can go to university.

[Dr Julian Lewis]

I am worried about the prospects for my party. I remember an earlier time when we thought we had a good policy. In fact, I worked with my right hon. Friend the Prime Minister and one of his most effective speech writers—a very good young man called Peter Campbell—on trying to sell the poll tax to the people. There were all sorts of elegant arguments to show that the poll tax was actually the best and the fairest policy. Well, even if we have a policy that we genuinely think is fair, unless we can convince people that it truly is a fair policy, it will fail and be rejected. I can hear people talk about percentages until they are blue in the face—or yellow in the face—but they will not convince me that young people from poor backgrounds will not be deterred. If they would not be deterred, why was it necessary to introduce the special measures for those who have free school meals? I would have been deterred, and I do not want others to be deterred.

4.23 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): The Browne review takes as its starting-point the changes that the Labour Government introduced in 2004. We all know that those changes were politically difficult, but they achieved two major things: they brought more money into universities and they resulted in a large increase in higher education participation, including and, indeed, particularly among students from poorer backgrounds.

The Higher Education Funding Council for England released figures earlier this year showing that, back in 2004, just one in eight young people from the poorest backgrounds went to university; it is now one in five. Of course there is still a gap in participation rates between rich and poor. As my right hon. Friend the Member for Tottenham (Mr Lammy) showed this week, our top universities must do much more to attract a wider variety of students. We did, however, see a big increase in opportunity and participation, following the changes of 2004.

Dr Julian Huppert (Cambridge) (LD): I tried to intervene on the right hon. Member for Tottenham (Mr Lammy) as I wanted to correct some of his figures before he started scaremongering. The university of Cambridge takes 15% of students from ethnic minority backgrounds as compared with 10% across the country. He spoke about the one British black Caribbean student out of the 35 applying who gained admission to Oxford university, but failed to mention the 23 black Africans, the three other black students, the seven white and black Caribbean students, the seven white and black Africans, the 35 others of mixed descent and the nine others or, indeed, those directly from the Caribbean

Mr Speaker: Order. Interventions must be a lot briefer from now onwards. That is very unfair to other Members.

Mr McFadden: We are probably all agreed that the top universities can and should do more to attract ethnic minority students.

As my hon. Friend the Member for Huddersfield (Mr Sheerman) said, there are some good points in the Browne report. Browne was right to maintain the position whereby fees are not paid up front by students, but by graduates and only after they start earning. This has been portrayed as a new change in the system, but it is not; it has been there since the 2004 changes, although it is still widely misunderstood. Browne is also right to increase the repayment threshold and to include part-time students in the system. Let us be clear, given that the point about part-time students has been portrayed as some great gift from the Government, that the Labour Government explicitly built that into the terms of reference for the Browne review.

It is also right to place a greater emphasis on providing more and better information for students about the quality of courses and teaching. If students are being asked to pay more, they deserve more power within the system, even if that is sometimes uncomfortable for academics or institutions.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Has my right hon. Friend seen the Government's impact assessment, which suggests that even they recognise that as the teaching grant is withdrawn, fees for part-time students will go up and participation could go down as a result?

Mr McFadden: I was coming to that, because Browne also called for an increase in participation of 10%, yet one of the first acts of this Government was to cut the number of student places by 10,000 when compared with the plans that Labour had put in place. Since the election, both Tory and Lib Dem Ministers have repeatedly attacked Labour's aim to have a participation rate of 50% for our young people. Their attack on higher participation is an attack on opportunity, which we should resist. I stress that participation is about not just the fee level, but getting people to the point where they can make the choice in the first place. Therefore, abolishing the education maintenance allowance and Aimhigher is a direct attack on participation and opportunity for young people.

Chris Ruane (Vale of Clwyd) (Lab): Will my right hon. Friend give way?

Mr McFadden: I will not give way again, as there is not much time remaining.

There is one big problem with the Government's package: the degree of the reduction in the teaching grant for universities. That is what is forcing the fees so high. Hon. Members have even referred to Labour's cuts announced this time last year. Let us do a comparison: we announced a small reduction of 1.6% in the teaching grant; the Government's proposals are accompanied by an 80% reduction in the teaching grant. That is a huge transfer of responsibility and cost from the state to the individual, and it lies at the root of the large increase in fees. Also, rather than the package resulting in more resources for universities, it requires large fees just for universities to be able to stand still. Therefore, the issue is not so much the Browne review as the spending review. That is the problem with the proposals.

Higher education brings a shared benefit to the country and to individuals. As it is a shared benefit, and we believe in a high level of participation, we share the costs. That was Labour's approach when we made changes in 1998 and 2004. Instead of sharing the cost,

the Government's plans go wrong by replacing, to a large degree, the responsibility of the state with that of the individual. That is why fees are being driven up so much.

The politics of this does matter. The Liberal Democrats are in such trouble not just because they have broken an election promise, but because what they have done is a revelation about how they have conducted politics for years. They signed the NUS pledge because they did not think that they would be in the chair when the music stopped. They are in the chair, and to govern is to choose. The commitment was not just a line in their manifesto but front and centre of their holier-than-thou election campaign. The truth is that they will never be thought of in the same way again.

4.27 pm

Duncan Hames (Chippenham) (LD): In the debate since the Browne proposals were published, and so far today, many have found it easy to reject what is proposed, but there has been too little presentation of alternatives. I have attempted to bring constructive criticism and fresh ideas to bear on the Government's proposals during the past few weeks. In the House, just over a month ago, the Prime Minister agreed with me that if graduates are to make a greater contribution to the cost of their education, contributions should be related to ability to pay.

Like the hon. Member for Huddersfield (Mr Sheerman), I find much in the Government's proposals to welcome, and much that serves to make higher education funding fairer. I particularly welcome the end of up-front fees for the 40% of students who study part time. Retaining the cap on fees, albeit at the higher level, is indeed an improvement on Lord Browne's report. The raising of the repayment threshold from £15,000 to £21,000 is also an improvement on the current system, as is the annual uprating of the threshold in line with earnings. However, I did not believe that it would be fair, come 2015, for today's students to have to make payments from the substantially lower threshold of £15,000, while the most recent graduates would be able to earn up to £21,000 before beginning their contributions. I have made that point on the Floor of the House to the Minister for Universities and Science.

Therefore, I truly appreciate the movement that the Government showed yesterday in announcing the annual uprating of the repayment threshold for existing students and graduates, not just for those starting their studies from 2012 onwards. The measure should not be underestimated. It calls a halt to repayments for more than 100,000 graduates on modest salaries, and it cuts the contributions asked of 2.5 million graduates by hundreds of pounds each over the course of this Parliament. However, I hope that when the new system is in place, the gap between the existing repayment threshold and the £21,000 level can be closed entirely. At the very least, under the existing system recent graduates should be offered the option of transferring to the new system, with whatever outstanding contribution they have left at the time. In that way, they could indeed benefit from the increased threshold.

Claire Perry (Devizes) (Con): Will the hon. Gentleman give way?

Duncan Hames: I will give way to my constituency neighbour.

Claire Perry: I appreciate the hon. Gentleman's reference to the progressive nature of the measures. Is it credible that the Labour party, which introduced the principle of graduates paying and voted for two increases in tuition fees, is able to drum up quite so much fake anger this afternoon?

Duncan Hames: What amazes me is that Labour Members were not prepared to raise the £15,000 threshold in any of the last six years.

There has been another failure since the Opposition introduced tuition fees, which has been inadequately addressed for too long — for 13 years, indeed.

Pete Wishart (Perth and North Perthshire) (SNP): Will the hon. Gentleman give way?

Duncan Hames: I will not take any more interventions.

Back in 1997, the Dearing report concluded that the cost of higher education should be shared among those who benefited from it: the student, the state and the employer. For the past 13 years, the Government have ignored the conclusion that employers should also contribute to the cost of higher education. Not only are graduate employers not required to make a direct contribution, but there appears to be no method of facilitating that, even on a discretionary basis. I invite the Government and industry to develop broader proposals to facilitate, and even encourage, direct employer contributions to graduates' higher education. Such contributions would effectively reduce what is being asked of graduates themselves. They could even prove to be more tax-efficient for the enlightened employers who chose to make them.

In the weeks since the publication of the Browne review, I have persistently sought to persuade the Government to amend their proposals to make them fairer. The Government have responded constructively, and have listened while others have failed to set out a fair and affordable alternative. In this way, we are making things fairer; and although there is more to do, I am confident that Ministers will continue to engage with the issues. That is why I will join them in the Aye Lobby.

I promised my constituents that I would work towards a fairer system of higher education funding. That is indeed what I have done, and it is what I will continue to do.

4.32 pm

Pat Glass (North West Durham) (Lab): I know that many hon. Members wish to speak, so I shall be brief and focus on what is, in a sense, a niche issue: the impact on students who want to pursue longer, more prestigious and therefore often more expensive courses. A rise in tuition fees will have an adverse effect on all students of all disciplines, but those who wish to pursue longer courses, including architecture, veterinary science, medicine and dentistry, will be particularly affected.

Jake Berry: I wonder whether the hon. Lady would agree with my constituent Anna, who is protesting here today. She told me that her greatest fear was that universities were not prepared to offer shorter courses. She was given only six hours of lectures a week, and had asked to increase that to 12 to complete a degree in

[Jake Berry]

two years. Does the hon. Lady think that it would be possible for those taking longer courses to attend more lectures, thus compressing the time?

Pat Glass: I am sure that in an ideal world that would be fabulous, but we do not live in an ideal world. An architectural course can take between seven and eight years to complete, depending on the placement element of the course. A student taking such a course at one of the Russell group universities could end up with a debt of £100,000. That is the size of some mortgages, especially in a constituency such as mine. It is terrifying for most people, but it is absolutely terrifying for an 18-year-old student from a constituency, or a background, where no one else has ever gone to university.

The location of medical schools and universities delivering longer courses means that for many living at home is not an option. The intensity of their courses often rules out part-time work, which exacerbates the potential debt problem for those students. For those who want to enter one of the more prestigious professions, there is often no route of entry other than to study at university. Young people whose families cannot afford to pay their fees for them, or who live in communities where going to university is not commonplace, are being put off going to university.

Bill Esterson (Sefton Central) (Lab): Yesterday I met Liam Cunningham and Joe Short at an event in Maghull in my constituency, and they made a similar point to me. They said that what they and their friends are most concerned about is the prospect of starting their working lives saddled with tens of thousands of pounds of debt. Does my hon. Friend agree that that is one of the fundamental problems with what the Secretary of State has announced?

Pat Glass: Yes, I agree. It goes further than that, however. Professions such as medicine, dentistry, law and architecture should be representative of the society they serve, but despite all the efforts to achieve that, they remain largely populated by people from higher-income families. The Secretary of State comes to the Chamber and lectures us, saying it is unacceptable that only 46 young people on free school meals went to Oxbridge last year. I agree that that is unacceptable, but I do not think even the Secretary of State, operating out of his ivory tower on the top floor of Sanctuary Buildings, can possibly believe these proposals will improve that. Evidence from the Secretary of State's own Department clearly shows that students from lower socio-economic backgrounds are more debt-averse than others. These proposals are highly damaging, and will result in fewer, not more, young people on free school meals and on low incomes getting to university, let alone Oxbridge.

Ian Mearns (Gateshead) (Lab): I thank my very good hon. Friend for giving way. Social mobility is an important issue, because it is not just about tuition fees. The coalition Government have cut child trust funds, child benefit for some, school sport partnerships funds, Building Schools for the Future, education maintenance allowance awards and the future jobs fund. They are also scrapping Aimhigher and are now trebling tuition fees. What have they got against children and young people?

Pat Glass: Several Government Members have asked why non-graduates should pay for graduates. If we take that to its logical conclusion, we would also ask why couples who have no children should pay for the education of those who have children, or why the healthy should pay for the NHS to care for the sick. That is where that argument would take us.

The Government are creating a society in which access to university will return to being for those who can afford it, rather than those who deserve it. Talent will be ignored and un-nurtured, and ultimately we will all pay the price as our economy fails to keep pace with those of our competitors. This is not simply a moral argument, therefore; there are also strong economic arguments against the proposals.

I have said a number of times in the House that more people in this country are aged over 65 than under 16. That skewed profile will increase, so we will need a better educated and more highly skilled work force in the future. These proposals would give us the opposite, however; they would simply waste our seed corn for the future.

Finally, I want to talk briefly about the young people themselves. I regularly meet a group of young people who come from the schools councils of all the secondary schools in my constituency. When I met them two weeks ago I expected anger, but I was surprised at the depth of their anger. It was not just about tuition fees; it was about EMAs too. Not a single one of them was in receipt of an EMA, but they were angry about what it was going to do to their peers and their sixth forms. They asked me to give a message to the coalition Government. They feel particularly let down by the Liberal Democrats—they feel they have been callously and cynically misled by them—but their feelings about the Tories were more straightforward. They told me to pass on the message that this was the same old Tories and the same old cuts, and that they were not to be trusted with our public services or our futures.

4.39 pm

Guto Bebb (Aberconwy) (Con): I have listened to this debate with great attention, and I was struck by the comments of the hon. Member for Islington South and Finsbury (Emily Thornberry), who said that there is an issue of principle at stake. I was confused by that comment. What did the hon. Lady mean? The concept of free higher education has been lost as a result of previous Labour Governments' actions, so that issue of principle was lost under them. Another principle that we have heard much about from Opposition Members is the need for the general taxpayer to pay for the education of all higher education students, but the graduate tax proposed by some Opposition Members would mean that some people would pay and some would not.

Claire Perry: May I point out that with a graduate tax, the money would flow directly to the Treasury? We know that Labour Members like it when money flows into the Treasury to be doled out, but is not our principle much better for universities?

Guto Bebb: I accept my hon. Friend's point.

What we are considering is not an issue of principle, as the Opposition say, but—

Owen Smith (Pontypridd) (Lab): Will the hon. Gentleman give way?

Guto Bebb: I am afraid that I cannot take any more interventions because of the time.

We are talking about creating a system that will allow greater access, be more affordable and, in my view, ensure that higher education is properly funded.

Let me address the issue of better access. I am proud to be a graduate of Aberystwyth university, and when I graduated 20 years ago, the university had 2,700 undergraduates, whereas the current figure is almost 10,000. That increase is most welcome; I think both sides of the House welcome the fact that more young people have opportunities in education. However, those opportunities come at a cost and the Labour party continually allowed a situation to develop in which more and more people were going to university but sufficient funding provision was not put in place.

Chris Bryant: Will the hon. Gentleman give way?

Guto Bebb: No, I will not.

It is important to point out that access comes with a cost. The coalition Government are trying to introduce a system that will ensure that fair and reasonable access to further education continues. Access has been discussed at length. I particularly welcome the fact that we are doing so much to ensure that there is fair support for people who study part-time. I have mature-student and single-parent constituents who want to move into further education, and they will be supported as a result of these decisions.

Chris Bryant: In Wales.

Guto Bebb: I will respond to the heckling in a minute, but I am quite confident that better access will be delivered as a result of these measures.

Affordability was discussed at great length by my hon. Friend the Member for Brigg and Goole (Andrew Percy), who made an impressive speech. The cost of tuition fees might seem very daunting to some, and I am sure that many students will be daunted by the prospect of having debts of £20,000 or £30,000, but we need to consider this issue in the round. The other day, I had an e-mail from a parent asking whether their child, who hoped to become a teacher, would end up having to pay those astronomical fees. My response was clear: on a teacher's starting salary of £20,500, that person would not pay those fees, because we are raising the threshold.

Chris Bryant: In Wales, they would not.

Guto Bebb: I will come back to that point about Wales.

The average salary in a constituency such as mine is £25,000 a year. Someone on such a salary would make repayments of about £360 a year. Dare I say that many people from north Wales will spend £360 on a weekend in Cardiff for a rugby international? Let us consider the option of spending £360 on a rugby weekend or £360 a year for an education: I think the choice is fairly clear.

Opposition Members have been heckling me about Wales. Yes, I stand here as a Welsh MP and I am embarrassed by the public relations stunt of the Welsh Assembly Government. I am embarrassed by the fact that they are willing to raid the education budget to pay for a policy to take them through to the next Assembly election. I am embarrassed that, increasingly, the Welsh education system will not be able to deliver a quality education and that as a result more and more Welsh students will choose to study in England, leaving less money for the Welsh system. I support the measures because they will improve access, increase affordability and ensure proper funding for the higher education system in this country.

4.44 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): As we debate tuition fees, it is worth reminding ourselves that 90% of us in this House have benefited from university education; the overwhelming majority, right up to the youngest in the House, will have benefited from free education, as I did.

Gavin Shuker (Luton South) (Lab/Co-op): I am one of only a few Members of this House who went to university under a loans and fees system, so may I point out to the House that there is a real risk that the increased debt will put off poorer people? That will be even more the case when the fees are £9,000.

Jonathan Edwards: The hon. Gentleman makes an interesting point that comes from his personal experience, and I am sure that everyone in the House has listened to those concerns. A very serious accusation has been laid at the door of not only this Parliament, but those before us. It is that, having benefited from free education paid for by taxation, we are pulling the drawbridge up behind us and leaving others to pay.

I need not remind hon. Members that the Labour party, whose Members are now complaining so passionately about an increase in tuition fees, was the party that first broke the compact with our young people and undermined the concept of free education for all. Fees were introduced in 1998, with a higher rate following in 2004. The very fact that this new funding regime is being introduced by a statutory instrument indicates that this is a continuation of Government policy, rather than a new development.

Pete Wishart: We all know the record of the Labour party, which includes having introduced tuition fees, but does the hon. Gentleman share my surprise that Scottish Liberal Democrats will be voting for this English-based measure? It offers no benefit for Scotland, only pain and hurt. Does he welcome the opportunity that his nation and my nation will have to cast their verdict on the Liberal Democrats next May?

Jonathan Edwards: As always, my hon. Friend makes an excellent point. Education is a right, not a privilege. The benefits that a highly skilled and well-educated population and work force provide are crucial if we are to maintain our position in the world, and to continue to develop a knowledge and value economy. In Wales, we believe that with the right support we can become a small, clever country, like our Scandinavian friends, delivering a better quality of life for our people. That is why last week's announcement by the Welsh Government is to be welcomed. It shows why it is important that we have our own Government in Wales, so that policy can

[Jonathan Edwards]

be based on our values as a nation. It is also why I believe the electorate of Wales will vote next March to confirm further powers for the National Assembly, so that Wales can achieve full political sovereignty over devolved policy areas.

Many hon. Members will not have heard that announcement in detail. Made by a different Member for Rhondda than we usually hear from in this House, the announcement by the "One Wales" Government affirms that: they do not support full cost or near-full cost fees; they do not believe that higher education should be organised on the basis of a market; and they do not believe that it is sustainable in the long term for the UK to adopt a policy of having the highest tuition fees for higher education in the world outside the USA.

In "One Wales", we in Plaid Cymru and Labour committed ourselves to doing whatever was possible to mitigate the effects on Welsh-domiciled students if the Westminster Government lifted the cap on fees, because we believe that access to higher education should be based on academic ability, not the ability to pay. In other words, the increase in fees for Welsh-domiciled students, whether they study in Wales, England, Scotland or Northern Ireland, will be paid for by the Welsh Government. Welsh-domiciled students will continue to be eligible for subsidised loans to meet the cost of fees up to the current level.

Michael Connarty (Linlithgow and East Falkirk) (Lab): That is an interesting concept. If the Welsh Government are allowing the fees to be paid to the universities at the higher level but are subsidising their students, is that not a good recommendation for the Scottish Parliament and the Scottish National party?

Jonathan Edwards: My Scottish friends have an even better and honourable position of having no tuition fees, and I wish that that was the case in my country. We are putting forward the best-case scenario given what we face in our country. The Welsh Government will pay for this measure by top-slicing the Higher Education Funding Council for Wales teaching grant, but Welsh higher education institutions will still enjoy a higher level of teaching grant support than institutions in England. The UK Government are proposing an 80% cut in the university teaching grant in England, moving the cost of education almost completely on to the student—it is the consumer who pays. The cut in teaching grant in Wales will be 35% and, thus, the vital contribution and principle of public funding for higher education will be maintained.

Chris Bryant: But is it not also important that one of the measures introduced in Wales ensures that individual youngsters in Wales can study any course anywhere in the United Kingdom that is right for them? The money will follow them, including to English universities. For example, they could not train to be a vet in a Welsh university, but they will be able to do so elsewhere under this system.

Jonathan Edwards: I am grateful to the hon. Gentleman for his intervention, and of course I fully agree. I made that point earlier in a slightly different context. That measure is a good deal for Welsh students and a good deal for Welsh universities.

Alun Cairns (Vale of Glamorgan) (Con): Does the hon. Gentleman not recognise the funding gap between Welsh and English universities, and that the Welsh Assembly Government's policy is wholly unsustainable and merely a stunt before next May's election?

Jonathan Edwards: The hon. Gentleman, as usual, is grandstanding. I totally disagree, and the Welsh Government's proposals last week will not make any difference to the funding gap.

In the lead-up to this debate, I have been happy to sign amendments by Liberal Democrat Members who oppose the fees increases, and I have tabled my own. I congratulate them on their principled stance, but that action needs to translate into voting against the substantive motion in the name of the Secretary of State for Business, Innovation and Skills. To those Government Members who are considering abstaining tonight, I say that abstaining on this issue would be just as good as voting in favour, so I urge them to join us in the Lobby later.

4.51 pm

Damian Hinds (East Hampshire) (Con): There are some very real and big choices in this debate. The three biggest are, first, how many young people we want to be able to go to university; secondly, the extent to which we want those who do not benefit directly to pay for those who do; and, thirdly, how to ensure that we widen access and promote social responsibility. There is no perfect answer, but on those three choices the Government have it about as right as one could get it.

Many hon. Members have noted that it is sometimes a difficult conversation when people of our age—

Bill Esterson: Will the hon. Gentleman give way?

Damian Hinds: I am sorry, but because of the time I cannot.

It is sometimes difficult when people of our age have conversations with teenagers about university tuition, because it is startlingly obvious that we had an incredibly generous deal. That deal, however, was always based on such education being available to a relatively small number of people, and we were just the beneficiaries.

In the year I was born, 414,000 people were in full-time higher education; when I went to university, the number was 660,000; and now, it is 1.3 million. When we experience changes of that magnitude, we must fundamentally rethink how we pay for such things. Members from all parts of the House agree on that fundamental point, as they do on pension reform and on long-term care.

There has been another major change over those 40 years: real household income per head is 2.5 times what it was in 1970. That does not come from nothing; it comes from economic growth, an increased number of higher, value-added jobs and, most of all, growth in the professional and managerial classes, which is enabled by more people participating in higher education. We need those trends to continue, because never again will we make T-shirts cheaper than China. We need wider participation in higher education to thrive, and we need

to excel in the necessary markets: advanced manufacturing, pharmaceuticals, financial services and, indeed, education itself.

The global market for higher education is growing at 7% compound per annum. This country is uniquely well placed to take advantage of that, first, because of the gift—literally, the gift—of the English language, and, secondly, because of the marvellous higher education brand names in England and, I must say, Scotland, Wales and Northern Ireland. To thrive in that market, however, our universities need to be properly funded, and top universities have long complained that, even with the Government contribution

Roberta Blackman-Woods (City of Durham) (Lab): Will the hon. Gentleman give way?

Damian Hinds: I cannot, because of the time.

Top universities have long complained that, even with the Government's contribution and the fees, they were underfunded and could not cover their costs. Incidentally, the cost also applies to EU students. There were 61,000 such enrolments last year, a number that is growing fast, and they are also partly subsidised by the British taxpayer. The right hon. Member for Southampton, Itchen (Mr Denham) made light of the following point, but universities have used non-EU students as a cash cow to plug the funding gap, and that is not sustainable in a competitive, global market. Universities must be funded properly and sustainably.

It is true that, in higher education, there are what economists call both private returns and social returns—in other words, matters of social benefit—but all the studies say that the private returns outweigh the social returns, so it is fair that the students, over time, bear much of the cost.

With the package before us, with variable fees, requirements—rightly—to widen access and the higher £21,000 repayment threshold, we can continue to increase the number of young people accessing university, with all the benefits that that brings, and gear up the UK to take advantage of that key global growth market.

4.55 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): As the Chair of the Select Committee on Business, Innovation and Skills, which is charged with monitoring and scrutinising Government policy in this area, I have to make the point that this issue has aroused more interest than any other that my Committee is charged with considering.

I have received submissions from many students and would-be students, from various groups of universities and from parents. However, above all, I have had submissions from different sectors of industry that know that their future well-being and capacity to grow the country out of recession will be crucially affected by such legislation. I am therefore very disappointed that, in bringing this item forward now, the Government are precluding the sort of scrutiny that is necessary and that will be introduced following the White Paper.

The White Paper should have been published before this move was made so that my Committee, and the House in general, could consider the issue in the round and make an informed judgment. Inevitably, when the Committee meets, it will do so when the funding and tuition fees issue has already been decided. We will have to examine the consequences and potential unintended consequences.

I refused to sign the fees pledge. I did so knowing that higher education would need more funding and that we would have to examine the funding system in the context of a difficult financial situation, which could result in difficult decisions. There is a legitimate debate to be had about the balance of interests between individual contributions, the benefit that someone gets from higher education and the public benefit that comes from that individual's education, which the public should invest in. Unfortunately, the procedure adopted has precluded that debate from being held.

Steve Rotheram (Liverpool, Walton) (Lab): On 10 November in Prime Minister's questions, the Deputy Prime Minister admitted to breaking the pledge he signed on tuition fees. However, on 21 November on the "Politics Show", the Business Secretary denied breaking the tuition fees pledge. Which end of the Lib Dem pushmi-pullyu is right?

Mr Bailey: I do not want to be diverted by the grief and contortions of the Lib Dem party because there are some other very serious issues that need to be addressed.

Any package that is put forward must meet two criteria. The first is that it must provide the extra funding necessary to provide the flow of graduates into our industries and public services that will sustain the economy.

Bill Esterson: The University and College Union estimates that students currently graduate with around £23,500 of debt and that these proposals would increase that to £40,000. Does my hon. Friend agree that such high levels of personal debt are one of the main failings of the proposals?

Mr Bailey: I will come to that issue in a moment.

Let me just finish what I was saying. I have questioned Ministers both at the Select Committee and in the Chamber on whether these proposals will bring in any net increase in funding for universities. I have yet to receive any assurances that they will. In the context of the world situation, we must remember that these proposals have been introduced at a time when the most advanced western countries, including European countries with similar financial problems as us, are investing in higher education because they know the economic dividend that accrues as a result will get them out of recession. Despite such a profound change to our funding system and all the potential consequences, this country could lose out on the vital issue of growing itself out of recession.

My second point is about social mobility and accessibility. My hon. Friend the Member for Sefton Central (Bill Esterson) mentioned the potential £40,000 debt that is incurred. My constituency is a case in point, as a traditional industrial area with traditionally low aspiration and educational attainment. Over the past five or six years, that has been transformed by the money that has been put into education, the education maintenance allowance and the Aimhigher project.

Dr Stella Creasy (Walthamstow) (Lab/Co-op) *rose—*

Mr Bailey: I cannot give way any more—I apologise.

Unfortunately, the rungs that were going to sustain that improvement are being removed. Above all, that £40,000 debt will play on the minds of would-be graduates in my constituency. To potential graduates from low-income households, such a sum appears to be disproportionately more than to those who come from higher-income households. The measures that the Minister said would be put forward to replace Aimhigher appear to be reinventing the wheel, and privatising the wheel, because in effect they will ensure that low-income graduates will pay £9,000 to go to universities that will recycle that money to encourage more low-income graduates to go to university and incur the same debt.

A system that has been effective in improving social mobility and supporting people from low-income households into university is being replaced with one that will be essentially self-funding. It will not work, and the potential consequences for social mobility are most profound. I believe that these proposals are hasty and ill considered, and that they will be ineffective.

5.1 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): This has been a genuinely passionate and robust debate. We have heard interesting contributions from across the whole House, including from my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), from the hon. Members for Bexleyheath and Crayford (Mr Evennett), for Leeds North West (Greg Mulholland), for Ipswich (Ben Gummer) and for Belfast South (Dr McDonnell), and from my hon. Friend the Member for Huddersfield (Mr Sheerman).

There were interesting contributions from the hon. Members for Brigg and Goole (Andrew Percy) and for East Surrey (Mr Gyimah). The contribution by my right hon. Friend the Member for Tottenham (Mr Lammy) was particularly interesting, given his experience. There was an interesting contribution on Aimhigher from the hon. Member for Winchester (Mr Brine), and another from the hon. Member for Manchester, Withington (Mr Leech). There were particularly interesting contributions on the question of access from my hon. Friends the Member for Washington and Sunderland West (Mrs Hodgson) and for Makerfield (Yvonne Fovargue).

There were contributions from the hon. Members for Reading West (Alok Sharma), for Belfast East (Naomi Long), for Gillingham and Rainham (Rehman Chishti), for East Antrim (Sammy Wilson), for Broxtowe (Anna Soubry) and for Chippenham (Duncan Hames), and from my hon. Friends the Members for Islington North (Jeremy Corbyn) and for Islington South and Finsbury (Emily Thornberry). We heard a particularly interesting contribution from the hon. Member for New Forest East (Dr Lewis).

We heard from my right hon. Friend the Member for Wolverhampton South East (Mr McFadden), the hon. Member for Aberconwy (Guto Bebb), and my hon. Friend the Member for North West Durham (Pat Glass), who gave another interesting speech. We also heard from the hon. Members for Carmarthen East and Dinefwr (Jonathan Edwards) and for East Hampshire (Damian Hinds). Finally, we heard from the Chairman of the Business, Innovation and Skills Committee, my hon. Friend the Member for West Bromwich West (Mr Bailey).

Clive Efford (Eltham) (Lab): My hon. Friend has read out an extensive list, but has he noted how many Members were rising to speak when the Speaker called the Front Benchers to sum up? I wonder whether he can remember a debate of this importance, with a four-minute speaking limit, that has left so many people unable to get in. Does not that underline the fact that the guillotine that was imposed was unjustified and that it has denied Back Benchers the right to speak?

Mr Thomas: My hon. Friend makes a crucial point. We tried to get the Government to take the time out to publish a White Paper and to allow the House to have proper consultation and a proper debate. We never tried to curtail debate when we were in government—we allowed extensive time for Second Readings and for Committee proceedings.

Stephen Williams: Has the hon. Gentleman gone on such an enormous geographical tour and then spent time talking about time simply to waste time because he does not have a policy of his own to tell us about?

Mr Thomas: I thought that the hon. Gentleman could do better than that.

This has been a particularly interesting debate because of the cross-party opposition to the Government's proposals. It is a pity that the coalition Government could not be bothered to listen properly to the concerns of their Members of Parliament. The Secretary of State walked out as the hon. Member for Leeds North West got to his feet, and those on the Government Front Bench chuntered away as the hon. Member for Brigg and Goole spoke.

I agree with the Deputy Prime Minister on one thing: in the heat of the debate about the Government's plans, some unhelpful myths have circulated. He should know, because it is he and the Prime Minister who have been peddling those myths. The pair of them are about to become Britain's premier loan sharks: targeting those who are not well off, never letting people pay off their loans, always increasing the interest rates, and allowing no escape from the ever higher debts.

Mr Jim Cunningham: Did my hon. Friend note that the Secretary of State refused repeatedly to give way to Labour Members during his speech and did not allow them to express their views?

Mr Thomas: I cannot criticise the Secretary of State for not giving way to those on the Front Bench. However, if we had had more time, as Labour Members sought from the Government last night, far more Members from all parts of the House could have intervened in the debate.

George Freeman (Mid Norfolk) (Con): Does the hon. Gentleman agree that the points about debt that he and his hon. Friends have made would carry a little more weight if they had not left every man, woman and child in this country with a debt of £22,000?

Mr Thomas: I am grateful to the hon. Gentleman for that question, because I was about to say that the first myth that Government Members have peddled is that the Government have no choice in this matter because of the economic situation. As my right hon. Friend the Member for Southampton, Itchen (Mr Denham) pointed out in his speech, even within the terms of their reckless approach to reducing the deficit, the Government could have proposed a fee increase of hundreds of pounds, not thousands of pounds.

Owen Smith *rose—*

Dr Creasy *rose—*

Mr Thomas: Let me just make this point. Even Ireland—which we are all watching closely, because the Chancellor of the Exchequer tells us that there is an economic miracle going on that we should emulate—is not cutting its university teaching budgets by 80%, nor is it increasing student fees threefold. The proposals before the House tonight are what happens when Conservative Chancellors of the Exchequer are allowed to run the Treasury unchecked.

Dr Creasy: Does my hon. Friend agree that it is impossible to explain to students in Walthamstow, where there has been an 87% increase in people who go to university, that the proposals are fair, when the Government are rowing back on the bankers' levy? Does that not show what their priorities are for this country?

Mr Thomas: My hon. Friend makes a very good point about the stark contrast between what the Government said they would do when in opposition, and what they are doing in government.

The second myth that Government Members have peddled is that the responsible position was to change the balance in funding between graduates and the Government. That might have been a reasonable line if a slight shift was involved, but the Government have thrown away the scales and are loading the whole cost—not a bigger part, but the whole cost—of a university education on to the graduate, particularly for art, social science and humanities courses.

The Deputy Prime Minister tells us that social mobility will not suffer. The money for widening participation, for championing the brightest and best from low-income backgrounds, and for helping mature students to do part-time courses is being axed. As the hon. Member for Winchester said, Aimhigher, the premier programme for widening participation, has been abolished. As Labour Members have said, the education maintenance allowance, which helps low income students, will stop in January. The widening participation premium that is paid to universities to help them recruit and retain those from disadvantaged backgrounds is expected to be cut.

Elizabeth Truss: Is it not the case that under the previous Government, only 19% of the lowest-income households contained students who went on to university? That is the record of the previous Government.

Mr Thomas: With all due respect to the hon. Lady, she should look at the figures. There was a 30% increase in people from low-income households going to university.

In the last week or two, even the Government have begun to recognise that high fees will put off students. As the hon. Member for East Antrim said, by proposing a national scholarship scheme for children who are entitled to free school meals, the Government are at last admitting that high fees will put off students from low-income families. It would have been nice to have had a little more detail from the Secretary of State on how that would work, but he could not offer us any.

There are people watching the Liberal Democrat contortions who think that we have been watching the first pantomime of the season, with the Secretary of State for Business as the Widow Twankey of the Government, and the Deputy Prime Minister as the servant boy Buttons, frantically rushing around trying to please his new master. I am not going to go down that path, however, because there are only two certainties for the Liberal Democrats. The truth is that they are all playing the back end of the horse, and no—no one is behind them!

I recognise that, for Liberal Democrat Ministers, the question of student finance is very finely judged. For those tortured souls, the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker), the Minister of State, Department for Education, the hon. Member for Brent Central (Sarah Teather) and the Minister for Equalities, the hon. Member for Hornsey and Wood Green (Lynne Featherstone), the nub of the principle that they are grappling with tonight is a tough one: "If I keep my ministerial Mondeo, will I lose my seat?"

When no G8 or OECD country other than Romania is cutting back higher education, it is clear that Opposition Members have to speak for all those people across the nation who recognise the damage that these proposals will do to our universities and the impact that they will have on the economic, social and cultural future of our country. More than 75% of students will end up paying more under these proposals than is currently the case, and graduates earning middle incomes at the age of 25 will pay the most, including those who want to be teachers, engineers and police officers: ordinary working people and families wanting a better future for their children, and young people dreaming great hopes—the very people the Secretary of State now turns his back on. Is it not clear tonight that those families and young people, whether they are on low incomes now or whether they will be on low or middle incomes when they graduate, are being let down by the parties in the coalition?

Tonight, Opposition Members speak for ordinary working people. We speak for Britain's middle class. We will speak for those on low incomes in every constituency, and for all those who are outraged by this attack on the ambitions and aspirations of the brightest and best of Britain's next generation. An abstention tonight is not enough. I urge the House to reject these proposals.

5.12 pm

The Minister for Universities and Science (Mr David Willetts): We have indeed had a passionate and robust debate, and I am sorry that there will not be time for me to respond to all the points that have been made. The reason for the passion is that all of us care about the future of our universities, and about how we discharge

[Mr David Willetts]

our obligations to the younger generation. It has to be said that all three parties, when in government and confronted by the challenge of how to finance higher education in our country, have reached the same conclusion. All have concluded that the way forward is fees, paid for by loans from the taxpayer and repaid by graduates.

Mr Bone: My problem in deciding how to vote tonight is related to my constituents, and to whether this measure will put them off going to university. My right hon. Friend the Minister has already indicated that there will be an annual review of the measure. Will the £150 million be used to help all low-income families, rather than just those on benefit?

Mr Willetts: I can assure my hon. Friend, as I chair the group planning the use of that extremely valuable £150 million, that we will consider a range of options for who could be assisted by the scholarship programme.

I was explaining to the House how all three parties have reached the same conclusion, albeit by a rather circuitous route. When we were in opposition, my party voted against the fee increases in 2004, and we remember that decision because we were afraid that the effect of fees would be to put poor people off applying to university. We have now seen the evidence, however, and it shows that, since fees came in—and because there were loans as well—the proportion of people going to university from the poorest backgrounds in England has actually gone up. It has not gone down. Indeed, by contrast, in Scotland, the proportion of people from the poorest backgrounds attending university has fallen while it has gone up in England. That is why my party has concluded that fees supported by loans do not deter poor students from going to university.

The Liberal Democrat party and my right hon. Friend the Secretary of State for Business, Innovation and Skills, when confronted with the challenge of how to deliver progressive policies in a time of austerity, have rightly concluded that this is what we have to do.

The Labour party, now so irresponsibly retreating to the comforts of Opposition, was explaining such policies six years ago. I see the shadow Chancellor laughing. Six years ago, he was in the position that I occupy today, and he explained only the other day, as well as anyone could, the logic of our proposals, in his famous note to the leader of the Labour party:

> "Oh, and for goodness' sake, don't pursue a graduate tax. We should be proud of our brave and correct decision to introduce tuition fees. Students don't pay them, graduates do, when they're earning more than £15,000 a year, at very low rates, stopped from their pay just like a graduate tax, but with the money going where it belongs: to universities rather than the Treasury."

Quite right. It was true then and it is true now.

Ben Gummer: Back in June, when the Leader of the Opposition was offering solutions, he said that instead of up-front fees, graduates under Labour's scheme would be asked to contribute a small percentage of their salaries to a fund over a fixed period of time. The percentage would vary according to income. I struggle to understand the difference between his proposal and that of Government Front Benchers.

Mr Willetts: My hon. Friend is right. We have improved on the policies that we inherited from the previous Government. They had a threshold of £15,000 and we are increasing that to £21,000, which is why the poorest quarter of graduates will be better off under our proposals than on the scheme we inherited.

Dan Byles: Does my right hon. Friend agree with the former Labour Education Minister, Lord Adonis, who said that trying to introduce a graduate tax would be so complex that it would be a "catastrophe"?

Mr Willetts: Absolutely right. Lord Browne produced an excellent report. There is a group, "Blairites for Browne", but of course they fell for that trick once before, so they are a bit wary this time.

The House should recognise that our proposals improve on the inheritance from the Labour Government. We have not only raised the threshold but increased the maintenance support available to students. Indeed, 500,000 students will receive more grant than they currently do.

Pete Wishart: I am very grateful to the Minister for giving way, but there are more than three parties in the House. Does he recognise that one party has consistently opposed tuition fees, is in government in Scotland and will have nothing whatsoever to do with tuition fees?

Mr Willetts: Perhaps the hon. Gentleman will explain how, under the English system, more Scottish students study at English universities than English students study at Scottish universities. We know how to invest in high quality universities for the future, in the best interests of English students and the nation.

We have increased the repayment threshold and the value of the maintenance grant and, of course, we have offered a far better deal for part-time students than is currently available to them. In future, part-time students will be eligible for fee loans, which they do not currently receive.

Geraint Davies: On a point of order, Mr Speaker.

Mr Speaker: I hope that it is genuine point of order.

Geraint Davies: I think that Members of all parties are worried that there may be civil unrest as a result of the way in which this is being railroaded—

Mr Speaker: Order. The hon. Gentleman will resume his seat. I call the Minister.

Mr Willetts: If I may say so, that was a disgraceful intervention.

The Government are committed to explaining how our proposals are progressive, how they will improve social mobility and how they will give our universities secure financial backing for the future. Members on both sides of the House have asked about the speed with which we are implementing our proposals. In fact, that was the Opposition's main point—they want more time for a review and a Green Paper. I should explain to the House that the proposals emerge from Lord Browne's review, which was set up by the Labour Government more than a year ago. The inquiry took evidence in

public and received evidence from Members of all parties. We believe that we are implementing proposals— *[Interruption.]*

Mr Speaker: Order. Whatever people's feelings, the Minister must be heard.

Mr Willetts: I was explaining how we have not rushed our proposals. They were based on a report that was introduced and commissioned by Labour a year ago. The changes will not come into force for the first generation of students until September 2012. It is necessary to take the financing decisions now so that universities can plan for them. If we do not take those decisions now, students and universities will find that universities have less grant, and that they are unable to replace it with income from students, which is what we are introducing—that is the key feature of our proposals.

We often hear Opposition Members talk about the loss of teaching grant, but they do not talk about the other side of the proposal—the extra money that can come to universities through the choices of students. We trust students. Taxpayers will provide students with the money to pay the fees. That will ensure that universities can continue to enjoy the levels of income that they enjoy at the moment. That money will not be handed out from Whitehall; it will come from the choices of students.

We believe that those students will continue to choose arts and humanities. There is no bias against arts and humanities—*[Interruption.]* Our proposals are equitable, and we believe that they will ensure that students can choose the courses that they wish.

Angela Smith *rose—*

Mr Willetts: Because our proposals—[HON. MEMBERS: "Give way!"] I am not going to give way because I have three minutes remaining in which to report to the House that in the past few days 53 university leaders from across England have made it clear that they support the coalition shift towards a more progressive graduate contribution scheme as the way to provide a more sustainable higher education system.

Of course the Government care about participation in universities. That is why I can assure Members on both sides of the House that unlike the system we inherited from the previous Government, we expect universities to review access and report on how they are doing on broadening it under our proposals not every five years, but every year.

There will be no loss of income for universities. We believe that students will continue to apply. They will not have to pay up-front, and they will be enabled by funds from the taxpayer to choose the university courses that they wish.

We believe that the proposals are the right way forward for our universities. All the Opposition can offer is delay. They did not even dare propose their graduate tax today, because we know that although the leader of the Labour party wants it, his own shadow Chancellor does not agree. They have not even proposed a graduate tax.

Labour left a mess in the public finances, and the Government must tackle it. If we do not tackle it in the way we propose, and if we go for the delay that the Opposition advocate, it will simply mean less funding for universities or more Government borrowing. Who pays the Government debt? It is the younger generation whom the Opposition claim to care about.

That is why the Government commend the motions to the House. We believe that we have tackled the challenge—in a time of austerity—of proposing a policy that is fair and progressive, and one that puts power in the hands of students and universities on a solid financial footing for the future.

Question put.

The House divided: Ayes 323, Noes 302.

Division No. 150] **[5.24 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick

Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brooke, Annette
Brown, rh Mr Gordon
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Crockart, Mike
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony

Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
Davis, rh Mr David
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hancock, Mr Mike
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Huppert, Dr Julian
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Stephen
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Mulholland, Greg
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Percy, Andrew
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Pugh, Dr John
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reckless, Mark
Reed, Mr Jamie
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Russell, Bob
Sanders, Mr Adrian
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Swales, Ian
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williamson, Chris
Willott, Jenny
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain
Wright, Simon

Tellers for the Noes:
Lyn Brown and
Mark Tami

Question accordingly agreed to.

Resolved,

That, for the purpose of section 24 of the Higher Education Act 2004, the higher amount should be increased to £9,000, and to £4,500 in the cases described in regulation 5 of the draft regulations in Command Paper Cm 7986, and that the increase should take effect from 1 September 2012.

The Speaker then put the Question necessary for the disposal of the business to be concluded at that time (Order, 8 December).

EDUCATION

Motion made, and Question put,

That the draft Higher Education (Basic Amount) (England) Regulations 2010, which were laid before this House on 29 November, be approved.—*(James Duddridge.)*

The House divided: Ayes 323, Noes 302.

Division No. 151] **[5.42 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob

Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williamson, Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brooke, Annette
Brown, rh Mr Gordon
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Crockart, Mike
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
Davis, rh Mr David
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hancock, Mr Mike
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Huppert, Dr Julian
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Stephen
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Mulholland, Greg
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Percy, Andrew
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Pugh, Dr John

Qureshi, Yasmin
Raynsford, rh Mr Nick
Reckless, Mark
Reed, Mr Jamie
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Russell, Bob
Sanders, Mr Adrian
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Swales, Ian
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williamson, Chris
Willott, Jenny
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain
Wright, Simon

Tellers for the Noes:
Lyn Brown and Mark Tami

Question accordingly agreed to.

Business without Debate

BUSINESS OF THE HOUSE

Ordered,

That, in respect of the Loans to Ireland Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time. — *(Sir George Young.)*

SITTINGS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 21 December, the Speaker shall not adjourn the House until he has notified the Royal Assent to Acts agreed upon by both Houses. — *(Sir George Young.)*

PETITION

Bus Service (Walsall)

5.58 pm

Valerie Vaz (Walsall South) (Lab) *rose* — *[Interruption.]*

Mr Speaker: Order. Before the hon. Lady presents her petition, as usual in these circumstances I appeal to hon. and right hon. Members who are leaving the Chamber to do so quickly and quietly, affording the same courtesy to the hon. Lady that they would wish to be extended to themselves in her situation.

Valerie Vaz: Thank you, Mr Speaker.

The petition is from the users of bus service 639, Walsall to Wednesbury. The petitioners are concerned about the way the 639 bus has been taken out of service from the Kings Hill area, Walsall. They believe that this action was taken without consulting the people who live in the Kings Hill area. They have noted that the reason given was lack of use. The petitioners believe that this was not the case, and that it was due to the failings of West Midlands Travel (Walsall), as the bus often did not turn up and was mostly late when it did. They are concerned that there is now not a service to the Manor hospital. They, therefore, request that the House of Commons urge the Government to call on National Express West Midlands and Centro to take all possible steps to put this problem right and ensure that the 639 bus service is reinstated. There are 119 signatories to the petition in similar terms.

The petition states:

The Petition of users of Bus Service 639, Walsall to Wednesbury,

Declares that the Petitioners are concerned at the way the 639 bus has been taken out of service from the Kings Hill area; notes that the Petitioners believe that this action was taken without consultation of the people who live in the Kings Hill area; notes that the reason given was lack of use, but that the Petitioners believe this was not the case and that it was lack and incompetence of West Midlands Travel (Walsall), as the bus often did not turn up and was mostly late when it did; further notes that there is not now a service to the Manor Hospital.

The Petitioners therefore request that the House of Commons urges the Government to call on National Express West Midlands and Centro to take all possible steps to put this problem right and ensure that the 639 bus service is reinstated.

And the Petitioners remain, etc.

[P000870]

Patient Confidentiality (Mentally Ill)

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

6 pm

Dr Julian Lewis (New Forest East) (Con): I am delighted to have secured this debate. This is the second time I have addressed the House today and I hope that the consensus that was lacking in the earlier debate will be restored for this one, because hon. Members in all parties have the welfare of the mentally ill very much at heart. We are all constituency Members and we all have to deal with sad cases. Sometimes, we can do something to help people and sometimes it is too late to do anything to help those whom we have lost, but we can still try to achieve something in their memory to help other sufferers in future.

By way of background, I want to make it clear that I have no expertise or practical qualifications in mental health and that my doctorate is not a medical degree. I do, however, have a certain amount of experience stemming from when I first set foot in the House, in 1997, and came second in the private Member's Bill ballot. The individual who came first in the ballot promoted a Bill to ban hunting and the Chamber was packed on that Friday. I am sorry to say that when we came to debate my private Member's Bill, which was on improving conditions for people who suffer catastrophic breakdowns and need in-patient treatment, the House was back to its normal sparse attendance. Nevertheless, despite that somewhat cockeyed sense of priorities, the issue of mental health is an enduring one that requires great sensitivity.

Since those days, I have from time to time raised issues that affect my constituency. Most recently, I have been concerned about the closure of the psychiatric intensive care unit at Woodhaven hospital, which was constructed on the site of a former mental institution. I was delighted when that great facility was opened in my constituency a few years ago, and I worry about its future now that it has lost the intensive care unit. I recently set up a small group of people from different parts of the spectrum of mental health concern in the New Forest area. I asked members of that group, which is called "Support our Mental Health Services", to drop me a note about why they had joined it. One lady, Mary Stephenson, is particularly concerned about the loss of the PICU at Woodhaven, even though we are left with an acute ward. She wrote:

> "On any acute psychiatric ward, there should be an opportunity to remove very disturbed, noisy and possibly violent patients, to have private peace and 'cooling-off' facilities."

That is also for the benefit of other people on the acute ward who do not require intensive psychiatric care. Unfortunately, that facility has now been lost.

We are also concerned about the future of Crowlin House, which is a sort of halfway house. People have joined our group because they are concerned that if that residential facility were to close, those currently housed there might find themselves put into care homes for the elderly or for those with dementia. That would not be suitable for people who are, in a sense, halfway between being in-patients and being in the community.

Other people have joined us from Solent Mind, which supplies various important services. It has drawn to my attention the fact that the community mental health team is coming under pressure, as it faces losing 20% of its budget because of the introduction of improving access to psychological therapies—IAPT. In itself, IAPT is a good idea, but it is fairly low level and not a specialist service. It was supposed to be in addition to the services available to my constituents. As I have said before in this House, the danger can be seen in what happened to the specialist student service in Southampton—I cite that example in view of today's earlier debate. That service is no more because its functions were supposedly moved in the direction of IAPT, but in fact IAPT was not able to take them up. In addition, one of the beneficiaries of a scheme called supported permitted work, David Hayward, has written to me expressing his worry that that is under threat, and I understand that there are concerns about the position of the vocational advice service—my constituent, Lorraine Miller, has written to me about that.

I have painted a general picture about the state of mental health services, which is mixed. We have lost some good services, but we retain quite a lot of valuable assets, although we are worried that they might go. That is why we are setting up a campaign group to try to ensure their future.

My specific concern tonight is the problem that arises when somebody is mentally ill and the people treating that person feel unable to share information about that person's treatment with their carers or their next of kin. For once, I can say that some excellent work has been done on the theory, but I am a little worried about the practice.

I have with me a briefing paper prepared under the imprint of the Department of Health, King's college London, the Institute of Psychiatry at the Maudsley, Rethink and the NHS service delivery and organisation research and development programme. The paper goes right to the heart of the issue. It is entitled "Sharing mental health information with carers: pointers to good practice for service providers", and it seeks to tread a delicate line between preserving patient confidentiality and letting people who care about these patients have vital information about them when they are not in their right mind.

Esther McVey (Wirral West) (Con): I congratulate my hon. Friend on securing this debate and beating me to it. I wish to raise the issues faced by a constituent who looked after her husband 24/7 until he passed away in 2006. He suffered from hallucinations, paranoia and depression. He also had falls, lost consciousness and regularly became violent towards her, all of which put a lot of pressure on their relationship and left her upset. Her health deteriorated and she felt that she could not look after him properly. It was not until he passed away that she learned that he had dementia. I have a question for the Minister: should the safety of the carer be put ahead of the patient's right to confidentiality? Should we consider the severity of the patient's mental health problem in determining whether they are fit to keep their condition a secret?

Dr Lewis: I am so grateful to my hon. Friend for staying after this somewhat trying and long day to make that important contribution, because it shows that I am not talking about some quirky, one-off situation. It is a very real dilemma, which requires great thoughtfulness and sensitivity.

[Dr Julian Lewis]

I do not have time to go into the contents of that briefing paper in great detail, but I shall select just a couple of quotations that show how good it is. It says:

"Carers play an important role in many service users' lives. Their knowledge and expertise represent an enormous resource for statutory and voluntary mental health services. These are reasons why it is so important to include them through sharing information. Providing carers with information to support them in their role can improve outcomes for both service users and carers…Carers fear being denied access to important information to help them in their role. They are also concerned that their own confidences may be broken."

I came to the topic through the case of Mr and Mrs Edgell—my constituents David and Kay—whose lovely daughter Larissa, aged 34, hanged herself in 2006. They have obviously done everything that they can to come to terms with that, but I have a detailed file, which I have shared, because I knew they would want me to, with the Department and the Minister. I shall not go into the detail, because I do not have the time to do so, but it shows that from the earliest stages, back in about 2000, they warned of their fears that Larissa, or Lara as she was known, was seriously at risk.

Subsequently, in about 2004, Lara made a serious suicide attempt, but between then and 2006, when sadly—tragically—she succeeded, her parents were unable to know what was going on between her, the people who advised her in the NHS and, indeed, the people whom she saw privately, the private therapists.

I made it clear to Mr and Mrs Edgell that I felt that little could be done to improve on the excellent briefing document that I have only briefly quoted. It is an admirable piece of work and—unlike so much jargon produced in-house and, dare I say it, within the NHS—admirably clear. It is a first-class piece of work, and I would not alter a dot or comma in it.

When Mr and Mrs Edgell first came to see me in 2007, I wrote to the then Under-Secretary at the Department of Health—the hon. Member whose constituency I should have looked up. Is somebody going to tell me Ivan Lewis's constituency? I am not the only who is stumped. That is the first time I have known Mr Speaker's encyclopaedic memory to let him down. Sorry about that, Mr Speaker.

Anyway, I wrote to the hon. Gentleman and said that my main reason for doing so was to focus on two main issues relating to what had happened—*[Interruption.]* A voice off tells me that he is the hon. Member for Bury South (Mr Lewis). I am glad that we have sorted that out.

I said that I was writing on two main issues:

"The first is the frequent invocation by doctors who were seeing Larissa of the concept of 'patient confidentiality' when her desperate parents were trying to look after her interests at a time when she was too unwell to be the best judge of them herself."

I went on to say that, after Larissa took her own life, Mr and Mrs Edgell investigated that matter and discovered that the Department of Health had an extremely good policy, set out in the paper that I have described, which it issued in January 2006. The paper seemed to show, as I said in my letter,

"a clear understanding of the importance of sharing vital information with those nearest to the mentally ill person",

but, I pointed out,

"the best policy in the world is worthless if the doctors concerned fail to apply it either out of ignorance or obstinacy."

Mr and Mrs Edgell discovered only when it was too late how many times—it said how many in the notes of their daughter's various visits to medical professionals—she had had suicidal thoughts.

The response from the hon. Member for Bury South was rather disappointing. I see that I did write the name of his constituency on the reply, so I apologise for having embarrassed Mr Speaker for no good purpose.

In the reply, the then Minister states:

"As you state in your letter, the Department of Health had issued excellent guidance regarding confidentiality and people with mental illnesses. However, as you may be aware, the Government's task is to set the national agenda, to put in place national standards and provide overall health service funding. The responsibility for deciding how the national agenda is delivered locally and determining how best to allocate these resources to meet the needs to their local populations rests with local health communities."

I did not think that that was an adequate response. What is the point of producing excellent guidelines on highly sensitive, critically important, life and death matters, in that way and then relying on individual trusts to bestir themselves to the extent that they decide to apply or not to apply them? For once, it was the Conservative Opposition Member who was asking for a bit more central direction because, in this case, central direction was necessary.

The second main concern of Mr and Mrs Edgell was the lack of regulation of the private therapists whom Larissa had been seeing. Larissa was 34 when she died, and was well and truly an adult. However, it is a matter of concern that, even after her death, the people treating her outside the NHS have refused to give up any notes or information about what they were doing during the period she was desperately in need of help. Again, the reply basically said that Mr and Mrs Edgell might wish to contact the British Association for Counselling and Psychotherapy, which is a voluntary professional organisation that currently helps the psychotherapy and counselling profession to self-regulate. Frankly, that is no proper method of ensuring compliance when private therapists have been taking part in the treatment of someone who has ended their life under these circumstances.

My time is pretty much exhausted, so I will confine myself to saying that I hope I have done justice to my constituents and to the memory of their daughter. They have not failed to understand the delicacy of the issues involved and they hope that their daughter's death will mean that, in the future, people recognise that the next of kin and/or the carer must be taken into confidence when people talk about doing away with themselves, even if those people are adults.

Adults do not have quite the same rights when they are not operating within their normal mental framework. We talk about people being "out of their mind," which is perhaps an old way of saying something unpleasant about someone, but there is a literal truth in that phrase. I do not come from a Christian background, but I feel a particular sense of sadness when I hear people singing the famous hymn, "Dear Lord and Father of Mankind." The third line states:

"Re-clothe us in our rightful mind".

When people are not in their rightful mind, they need professional help. The professionals need to talk to each other and the mentally ill need the help of the people who have their interests most closely at heart. Those

people are the next of kin and the carers. I would be most grateful if the Minister could give some reassurance for the future.

6.19 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for New Forest East (Dr Lewis) on securing this debate. Having had the opportunity to deal with two Adjournment debates this week, I reflect on the fact that this was an entirely fitting and appropriate way to raise very serious matters, which was not entirely the case in the debate that I replied to yesterday.

My hon. Friend is absolutely right to raise these issues and to bring a distressing case to the House's attention. It is the most appalling human tragedy when a young person with so much to live for ends their own life. For the friends and family, the tragedy is all the greater when there is a sense that more could have been done to prevent the person from taking that action. I know that the parents of the young lady in this case continue to grieve for the desperate loss of their daughter. I can absolutely understand their need for answers and explanations, and for assurances from the relevant authorities that out of these tragic circumstances, some good may come. That is what I hope to be able to offer in my response.

I am afraid that I have to start my remarks by saying that this case has some painful similarities to that raised in another debate to which I responded a couple of months ago. In both cases, the clear and consistent flaw was that families and carers were not properly listened to or involved. Indeed, evidence from the National Confidential Inquiry into Suicide and Homicide points to this being a flaw in too many cases. Where things go wrong in mental health services, it is so often due to communication breakdown between agencies and families. While there has been progress in mental health services in recent years, there is more to be done. In some parts of the country, the system is too secretive and defensive, and not sufficiently joined up to secure the best results for the patient.

My hon. Friend will know that we set out in our coalition programme a commitment for hospitals to be open, and always to admit if something has gone wrong. That is why we plan to give effect to a duty of candour in which health professionals and managers would be expected to inform patients and families about actions which have resulted in harm. Mistakes happen—to err is to be human—but the key thing is that the NHS learns and improves practices so that the same errors are not repeated. I know that that is what the Edgell family are looking for. I expect all parts of the NHS to engage constructively with families like them to understand and learn from their concerns. That is also why we are determined to strengthen the arrangements for whistleblowing so that where standards slip or practice is poor, staff can raise their concerns in the knowledge that they will be treated seriously.

Patient confidentiality emerges as a consistent theme in the correspondence that I have seen between the family and the local NHS; I am grateful to my hon. Friend for passing it to me. He recognises, I think, that the judgments that mental health professionals make are often finely poised. They can be damned if they do and damned if they don't. There is a balance to be struck between respecting the patient's wishes, on the one hand, while also acknowledging how friends and family can contribute significantly to the person's safety, ongoing treatment and recovery.

All NHS organisations have clear legal and ethical obligations to ensure that patient information remains confidential. To resile from this principle, particularly in an areas as sensitive as one's mental health, would undermine the trust and confidence on which effective treatment is based, increasing the risk of the patient distrusting and disengaging from clinical care. It is very important to stress, however, that, as guidance provided by the Department of Health and the General Medical Council makes clear, patient confidentiality can and should be overridden to prevent significant harm either to themselves or to others. That very much goes to the point raised by the hon. Member for Wirral West (Esther McVey) in her intervention.

As my hon. Friend rightly said, patient confidentiality should not be a barrier to having conversations with families and carers. Those closest to the individual can play a crucial role in helping clinical teams to understand a patient's illness, and in providing an early warning if their condition changes or deteriorates. I am deeply concerned that not all trusts are applying this principle in practice. We need some basic common sense and compassion in how health professionals deal with concerned families. Having read the paperwork that my hon. Friend shared with me, I cannot help but feel a sense that some medical teams were ticking the boxes but missing the point.

I cannot stand here at the Dispatch Box and enunciate lots of new principles. My hon. Friend is absolutely right that there is already very good practice guidance, as well as clear guidelines from the Department of Health, the GMC and others. However, what we need to do to achieve real change in practice is to ensure that it is clear where professional leadership comes from to drive the practice into everyday action on the ground. One of the actions that I will be taking as a result of this debate is to meet the relevant royal colleges to discuss how we can change and challenge attitudes within general practice—where this all began—and mental health services, to ensure that the voice of families and carers is never ignored. Improving mental health is a clear priority for this Government.

There is no health without mental health. Next year, as a result of our commitment to prioritise mental health, we will publish a new mental health strategy, which will set out how the Government will invest in early interventions and the extension of talking therapies, to which my hon. Friend referred, for children and older people. Those things are not all that we must do, but they will make an important contribution to tackling the burden of mental health at an earlier stage, thus promoting recovery and reducing the burden on individuals and society in the long run.

In addition, we will publish a new suicide prevention strategy to set out the steps that the NHS and others need to take to further reduce suicide. I will ensure that the points that have been made in this debate are taken into account as we finalise that strategy.

There is no adequate answer that I can give tonight to my hon. Friend's constituents to make up for their loss. However, I hope that my remarks and the fact that we

[Paul Burstow]

have looked very carefully at what my hon. Friend said in his correspondence, assure him and his constituents that the Government are determined to do everything they can to ensure that the lessons from this case, and a number of other tragic cases, are translated into better practice in the future and that the good practice that is out there is not the exception, but the consistent norm.

Question put and agreed to.

6.26 pm

House adjourned.

House of Commons

Monday 13 December 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Afghanistan

1. **Ian Murray** (Edinburgh South) (Lab): What assessment he has made of the capacity of the Afghan national security forces to assume responsibility for the security of Afghanistan by 2015; and if he will make a statement. [29876]

The Secretary of State for Defence (Dr Liam Fox): Assessments of the Afghan national security forces are regularly carried out by the NATO training mission in Afghanistan, of which UK forces form an important part. There are currently around 144,000 Afghan national army personnel and around 116,000 Afghan national police. The October 2010 targets were exceeded two months ahead of schedule and we assess that the growth in both capacity and capability of the Afghan forces is on track to meet the target of transferring lead responsibility for security to the Afghans by the end of 2014.

Ian Murray: When in Afghanistan, the Prime Minister said he was confident that troops could begin to return home in 2011, but the Chief of the Defence Staff has said that we will not "cut and run", and the Defence Secretary has said that we will be there for as long as it takes. That causes confusion and could make the situation in Afghanistan worse, and it causes a great deal of uncertainty for both our troops and their families. Will the Secretary of State categorically state whether UK troops will begin to depart from Afghanistan in 2011?

Dr Fox: The Prime Minister made it clear on his visit to Afghanistan, as the Chief of the Defence Staff and I have done, that if conditions allow, we may be able to see a reduction in 2011 of some UK forces. We may also decide to use UK forces in a different way, particular in more of a training mission, but that will depend on what happens on the ground next year.

Sir Peter Tapsell (Louth and Horncastle) (Con): May I ask my right hon. Friend, the sixth successive Defence Minister to whom I have pointed out the utter folly of our current intervention in Afghanistan—four of the quintet before him have wisely fled the House, and the first has just been banned from the Tea Room for five years—to whom he thinks the Afghan security force, which has been recruited from various tribes who have been bitterly hostile to each other for centuries, will owe their allegiance? Alternatively, does he expect a military dictator to emerge from their ranks to impose order?

Dr Fox: I am well aware of my hon. Friend's long-standing interest in Afghanistan and his long-standing difference of opinion with the mainstream. It is not just the UK that believes that the mission is essential. A coalition of some 48 countries in Afghanistan believes, and understands correctly, that we need both to degrade the threat in Afghanistan and to increase the capability of the Afghan Government to provide security if we are to see regional, and indeed global, stability.

Mr Bob Ainsworth (Coventry North East) (Lab): The progress being made by the Afghan security forces is good news, but when I asked the Prime Minister why he decided to announce a deadline so far out from 2015, he replied that one reason was to get away from the pressure for constant, short-term deadlines. He then went to Afghanistan and announced that our troops may well start coming home by 2011. Why is he doing that? What is the purpose of those constant public announcements on the end of the combat mission and the beginning of troops returning home? No one in the House denies that they want to see the troops come home quickly, but everybody is somewhat worried about those public pronouncements.

Dr Fox: There was indeed no announcement of any short-term milestone on the way to 2015. In answer to the question of whether British troops might be able to come home in 2011 and reduce their number, the Prime Minister said that that was dependent on conditions on the ground, which is entirely consistent with the Government's position in the run-up to 2015.

Mr James Gray (North Wiltshire) (Con): The numbers of Afghan forces—some 250,000 all told—are encouraging. That is a major step in the right direction, but does the Secretary of State agree that their capabilities and abilities matter more than just the numbers? What assessment has he made of the development—rapid or otherwise—of those capabilities?

Dr Fox: The capabilities speak for themselves. There have been enormous leaps in what the Afghan forces can do. The Afghan national army has conducted itself honourably and with great credit in terms of its technical ability, not least in Kandahar, and the Afghan national police are now moving ahead, for two reasons. First, the police were given equal pay status with the ANA, and secondly, along with that, literacy training led to a big increase in the quality of those joining. That is a major step forward from where we were in recent years.

Mr Jim Murphy (East Renfrewshire) (Lab): No one doubts the bravery of many of those joining the Afghan security forces—it is beyond doubt—but the Secretary of State will be aware that there are still worries about the quality of current training, the levels of desertion from the Afghan forces, and the very few cases in which some in the Afghan forces have turned their weapons on those in the international security assistance force. This is a crucial issue, because success in Afghanistan depends on it, so will he support increased international effort to improve the training and resilience of Afghan forces on the ground?

Dr Fox: Indeed, I will. The right hon. Gentleman makes a crucial point. The international community, if it wants to be truly successful, must recognise that this

is about not just the numbers but the capability. Those who intend to transition away from a combat role would do well therefore to put the resources into increased training in Afghanistan to ensure that what the international community sets out to do is achieved.

Former Service Personnel (Support Services)

2. **David T. C. Davies** (Monmouth) (Con): What steps he is taking to ensure adequate care provision for former service personnel. [29877]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): The Government are committed to ensuring that all our former service personnel receive the support they require from across the whole of government. We also remain committed to rebuilding the military covenant.

My officials are in regular discussion with the Department of Health, the Ministry of Justice, the Department for Communities and Local Government and the Department for Work and Pensions and others to ensure that former servicemen and women get the services they deserve.

David T. C. Davies: Has the Minister considered lobbying the Government to change the law so that ex-service personnel can be discriminated in favour of in job interviews? Does he agree that were we to add ex-service personnel to the list of people in our society who can be discriminated in favour of, it would be a true example of positive discrimination?

Mr Robathan: I would say to all potential employers that most ex-service personnel bring with them a resilience and hard-work ethos that they may not find in every civilian. I would also say that we have very good resettlement packages for people going out into the civilian world, and we will certainly lobby employers to take disabled and other ex-service personnel on to their books. However, positive discrimination is illegal, and I do not think we are aiming to change the statutes. It is also unlawful to discriminate against disabled people.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): The Minister has said in recent letters to Members that the Government have no plans to introduce a veterans card scheme, which many believe would assist in identifying veterans to ensure that they get the care they deserve. However, the report on the military covenant commissioned by the Government and published last week recommends implementing such a scheme. Will he now reconsider his view on this matter?

Mr Robathan: There is no point in commissioning a report without looking at it, and we are doing so closely—as the hon. Lady will know, we are already implementing one or two of its recommendations. The veterans card is a difficult one, because, as Labour Members in the last Administration will know, it is difficult to identify who has been in the armed forces over a period of perhaps 60 years, and to ensure that it is feasible. It is also difficult to identify what exactly would be the point of it. We should remember, for instance, that there is already a discount service for those people.

Angus Robertson (Moray) (SNP): What about the veterans badge?

Mr Robathan: The veterans badge does not bring with it any privileges.

Harrier Fleet

3. **Angie Bray** (Ealing Central and Acton) (Con): What timetable he has set for the decommissioning of Harrier jets. [29878]

The Minister for the Armed Forces (Nick Harvey): The strategic defence and security review published on 19 October 2010 stated that the Harrier fleet would be withdrawn from service in 2011. We have brought this date forward to coincide with the cessation of flying. The Harrier fleet will now be retired from service with the Royal Navy and Royal Air Force on 15 December 2010.

Angie Bray: I was lucky enough to sit in the cockpit of a Harrier jet when I was working for the British Forces Broadcasting Service in Gibraltar some years ago. The jets are fantastic pieces of kit. Does the Minister agree that the Harrier jets and their pilots have performed a great service for this country? Will he also update us on the training programme for the joint strike fighter, which is the replacement?

Nick Harvey: It is a pleasure to echo the hon. Lady's words in paying tribute to all who have served with the Harrier, in both the Royal Navy and the Royal Air Force, and in complimenting the Harrier itself, which, in its day, was a much-admired and, indeed, groundbreaking piece of engineering. *[Interruption.]* I am sorry; I had forgotten the hon. Lady's question. Training for the joint strike fighter is already under way. Indeed, it will continue throughout the next few years, increasing its momentum considerably as we get into the second half of the coming decade, because of the necessity to bring the JSF into service in 2019. The intense training period will run for several years ahead of that, but the training itself has already begun.

Michael Dugher (Barnsley East) (Lab): The Minister for the Armed Forces said in an interview on 9 November that the Government would save more money by scrapping the Harrier than by scrapping the Tornado, yet the Minister responsible for defence equipment, the Under-Secretary of State for Defence, the hon. Member for Mid Worcestershire (Peter Luff), said in a subsequent written answer that the cost of supporting the Harrier to 2018 would have been £0.7 billion, whereas the cost of the Tornado over the next 10 years would be £3.1 billion. However, Lord Astor put the figure at £4.8 billion. Does that not show that there is not only a capability gap, in the words of the Secretary of State, but a credibility gap, too?

Nick Harvey: I do not believe that the hon. Gentleman is comparing like with like in those figures, but in any case, the military grounds for the choice were straightforward. It would not have been possible for the Harrier to go back into service in Afghanistan because of the run-down of the Harrier fleet under the previous Administration. Furthermore, the Tornado has a

considerably greater range of capabilities, in terms of its range and performance, weapons payload and reconnaissance capabilities. The decision was taken on the basis of military advice.

RAF Bicester

4. **Tony Baldry** (Banbury) (Con): What plans he has for the disposal of RAF Bicester. [29879]

The Minister for the Armed Forces (Nick Harvey): RAF Bicester has been in disposal for some time, and it would not make practical or economic sense to withdraw it from that process now. Because the wider estate rationalisation work that is under way is a complex piece of work that will take some time to complete, where it is sensible to do so, we will allow normal disposal business to continue.

Tony Baldry: Can my hon. Friend explain to the chief executive of Defence Estates that RAF Bicester has absolutely no commercial value? It is a combination of a number of historic listed buildings, a runway surrounded by ammunition dumps that have the same statutory listing as Stonehenge and a grass airfield riven by Crichel Down disputes. Defence Estates has been trying to market RAF Bicester for several years now, yet absolutely no one has shown any interest in it because it has no commercial value. In the meantime, all that happens is that those wonderful listed buildings rot. That is a dereliction of duty, so can my hon. Friend get a grip with the chief executive of Defence Estates, so that RAF Bicester can be transferred to those in Bomber Command Heritage and others who would like to put it to good, heritage use?

Nick Harvey: I detect that my hon. Friend has a greater familiarity with the history than I do; suffice to say that whatever the history, it is now understood by Defence Estates. It has now been concluded that the site can be disposed of, and the accounts and views of former owners, among others, are being considered. When disposing of such defence assets, it is essential that competence and experience in dealing with historic buildings be taken into account. Any idea that the site had any significant commercial value has, I think, passed.

Mr Speaker: It is always a pleasure to listen to the hon. Member for Banbury (Tony Baldry), but may I gently say that we must now make a bit of progress?

International Security Assistance Force

5. **Mr Peter Bone** (Wellingborough) (Con): What proportion of the NATO international security assistance force is provided by the UK. [29880]

The Secretary of State for Defence (Dr Liam Fox): There are currently 48 troop-contributing nations and more than 130,000 troops in the international security assistance force. The UK is the second largest troop contributor after the United States, contributing around 7.5% of the total force. This figure is also double the size of the third largest contribution, made by Germany.

Mr Bone: At this time I would like to pay tribute to our brave men and women who are serving in Afghanistan, especially as Christmas approaches. Is the Secretary of State surprised that UK troops in Afghanistan account for 43% of the troops contributed by European Union countries? Is he satisfied that our colleagues are doing enough?

Dr Fox: No, I am not satisfied, and therefore the Government will constantly be urging our NATO partners to do more. However, it is worth saying that some of the smaller nations contribute disproportionately. In particular, given the difficulties that we face in Helmand, I am sure that the House would like to pay tribute to our Danish and Estonian colleagues, who have done such a wonderful job. In general terms, the message for the rest of NATO is that we all need to act together—and in together and out together.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Has the Secretary of State made any assessment of what he thinks the UK force representation in Afghanistan will be post-2015?

Dr Fox: That is necessarily dependent on the security position in Afghanistan, especially as regards the quality—discussed in an earlier question—of the Afghan security forces, but I think it would be reasonable to expect the UK to be in Afghanistan in a training and support role for some time after 2015 to ensure that the legacy we hand over to the Afghan Government is maintained because, in the longer term, that regional stability is important for our safety here in the UK.

New Aircraft Carriers

6. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): What estimate he has made of the likely effect on the economy of his decision to build two aircraft carriers. [29881]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The construction of the two Queen Elizabeth class aircraft carriers is expected to create or sustain around 7,000 to 8,000 jobs in the tier 1 shipyards of Appledore, Govan, Portsmouth and Rosyth, with a further 2,000 to 3,000 jobs in the wider supply chain. Equipment subcontracts to the value of some £1.3 billion have been placed to date, boosting local economies across the UK. The strategic defence and security review confirmed that both carriers will be built, and we expect that construction work on the programme will continue until late in this decade.

Catherine McKinnell: I thank the Minister for that encouraging answer. He may be aware that I have introduced the Apprenticeships and Skills (Public Procurement Contracts) Bill to encourage better use of the public procurement system to increase the number of apprenticeships available. What steps is the Minister taking to ensure that defence procurement increases the number of apprenticeships available, helping to build on skills bases in areas like the north-east, which has a proud history of manufacturing in this sector?

Peter Luff: I congratulate the hon. Lady on her initiative, and I can say that defence contractors up and down the country are committed to apprenticeships—and I pay tribute to them for that. It is very important that we maintain the skills base of our defence manufacturing industries, and they will be invited to contribute to the consultation that we are launching shortly on our new defence equipment policy.

Armed Forces Recruitment (Young People)

7. **Nic Dakin** (Scunthorpe) (Lab): If he will take steps to implement the recommendations of parliamentary Committees in the last Parliament and the UN Committee on the Rights of the Child to end the recruitment of under-18s into the armed forces. [29883]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): The United Kingdom ratified the optional protocol on children in armed conflict in June 2003. The minimum age at which individuals may join the armed forces remains at 16 years, which broadly reflects the minimum statutory school leaving age. There are no plans to change this.

Nic Dakin: Some 28% of recruits into the armed forces were aged under 18 in 2008-09. Recruitment to the armed forces carries significant emotional and physical risks to well-being for young people. What steps are the Government taking to mitigate those risks?

Mr Robathan: I recently took a passing-out parade at Bassingbourn, and I was struck by how happy all the young recruits under training appeared to be. We take our duty of care very seriously. It is a tough environment, but the recruits are well looked after, and most of the young people I met were desperate to join their units. We do not allow people under 18 to go to operational theatre as a matter of policy.

New Aircraft Carriers

8. **David Mowat** (Warrington South) (Con): What assessment he has made of the value-for-money of the contract to build two new aircraft carriers for the Royal Navy. [29884]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The strategic defence and security review concluded that a carrier strike capability was needed for the future. The most cost-effective way of delivering that capability from around 2020 is to continue building both the Queen Elizabeth class aircraft carriers, fitting the operational carrier with catapults and arrestor gear to enable the use of the more capable carrier variant of the joint strike fighter.

David Mowat: I thank the Minister for that reply. Does he agree that it cannot have been right on the eve of a general election, weeks before we reached the certainty of the strategic defence review, for a large UK supplier to enter into a contract with the Government? It was very difficult to break, so it effectively prejudged the result of the defence review. Is the Minister happy that BAE Systems acted in good faith in this matter?

Peter Luff: Cancellation costs are a very complex area. The contract for the aircraft carriers was related to the programme of work, agreed by the previous Government under the so-called terms of business agreement, to sustain the ability to design and integrate complex warships in the UK. Over the next few years, the QE class is providing that work load, with a Type 26 global combat ship taking over later in the decade. If we were to cancel the contracts for the QE class under TOBA we would need to provide replacement work, which would come at a cost, compounding the inevitable costs of cancelling the QE class ships, one of which is already well under construction. This brings us to the position so clearly outlined by the Prime Minister in the SDSR announcement. I would not point the finger of blame so much at BAE Systems as at my predecessor, who acquiesced in the delay of the carrier contract, which led to £767 million of increased costs in the last financial year alone, and a total of £1.56 billion over the life of the programme, making his peerage just about the most expensive in British political history.

Mr Speaker: May we have shorter answers from now on, please, and not long statements?

Thomas Docherty (Dunfermline and West Fife) (Lab): As the Minister knows, the best way of obtaining value for money for the "cats and traps" is to fit them during the construction of both Queen Elizabeth and Prince of Wales. Can he update us on the progress made by his civil servants in discussing the issue with Babcock, and will he also tell us when he will report to the House on the final decision?

Peter Luff: The hon. Gentleman has a habit of asking me questions that I cannot answer. No decisions have been made yet, although they are currently being made. However, I can reassure him that we are considering carefully which system of "cats and traps" should be fitted to the carriers. Once again, he has made a point very well on behalf of his constituents.

Mr David Crausby (Bolton North East) (Lab): Two new aircraft carriers fitted with joint strike fighters will put Britain's naval strike force in the premier league, but how can the Minister justify the absolute necessity in the longer term if he is prepared to accept no aircraft cover in the shorter term?

Peter Luff: I am amazed that the hon. Gentleman has even asked that question. It is clear that we can accept the capability gap now to ensure that we have a truly capable carrier in the future—and it will be a truly capable carrier thanks to the decision to change the carrier variant, which will significantly enhance the power and projection of the vessel.

Defence Exports

9. **Andrea Leadsom** (South Northamptonshire) (Con): What recent steps he has taken to increase the level of defence exports. [29885]

15. **Andrew Stephenson** (Pendle) (Con): What recent steps he has taken to increase the level of defence exports. [29891]

The Parliamentary Under-Secretary of State for Defence (Mr Gerald Howarth): The strategic defence and security review set out our clear intention to increase defence exports as part of our enhanced defence diplomacy initiative. The principal purpose of such exports is to enhance our partnerships with allies, share UK ethos and doctrine, and generally promote the UK's influence. They provide the additional benefit of helping to drive down the cost of equipment for Britain's armed forces.

Ministers across Departments are already actively promoting the policy, led by my right hon. Friend the Prime Minister. Officials in the Ministry of Defence and the Defence and Security Organisation, which is part of UK Trade & Investment, are giving invaluable support to Ministers and industry.

Andrea Leadsom: Is my hon. Friend aware of the enormous difficulties experienced by businesses such as Enterprise Control Systems in my constituency in securing export licences for the servicing and maintaining of equipment that they have sold abroad? Enterprise Control Systems makes world-class radio frequency inhibitors, but it is losing business because of the difficulty of obtaining credit licences.

Mr Howarth: I am extremely grateful to my hon. Friend for drawing my attention to the difficulties faced by the company in her constituency. I can tell her that she is not alone: other companies throughout the country are experiencing the same difficulties. It is very important for us to ensure that licences are dealt with promptly by the Ministry of Defence and its agencies.

Along with the Under-Secretary of State for Defence, my hon. Friend the Member for Mid Worcestershire (Peter Luff), who is responsible for defence equipment, support and technology, I will look into the specific points that my hon. Friend has raised. It would be helpful if she wrote to me.

Andrew Stephenson: Rolls-Royce, which is the largest employer in my constituency, plans to build a £100 million extension to its Barnoldswick site and to take on 100 extra workers if it wins the contract for manufacturing engine fan blades for the new F35 joint strike fighter. Is my hon. Friend able to update us on what the Government are doing to help Rolls-Royce to secure the contract?

Mr Howarth: I am acutely aware of the contribution that Barnoldswick in my hon. Friend's constituency makes to Rolls-Royce, which is surely one of the extraordinary jewels in the United Kingdom's engineering crown. My right hon. Friend the Secretary of State has written to Congressmen in both Houses on the Hill to emphasise our support for the F136 engine, and my hon. Friend the Under-Secretary of State has had meetings with the head of Air Force Acquisition, Lockheed Martin and others. I assure my hon. Friend that this Administration are doing everything that he would expect of them to promote a great British product to the United States.

Chris Bryant (Rhondda) (Lab): Of course we all want to see a successful defence industry exporting as much as possible abroad, but must there not be a bottom line, namely that we do not sell to corrupt countries or to countries that will use what they buy from us to oppress their own people? In that context, is it not important for us to ensure that exports of small arms—which often keep inflamed the battles and civil wars in Africa—are brought to an end?

Mr Howarth: I hope that the hon. Gentleman would be the first to accept that we have one of the toughest export licensing controls for military equipment in the world. I yield to no one in praising the efforts of both the present Government and the last Conservative Government to ensure that, as far as possible, equipment has gone to the right people and not to those who would misuse it. We are, of course, governed by the law as well.

I entirely take the hon. Gentleman's point about small arms, but unfortunately the world is awash with small arms, many of which do not come from the United Kingdom.

Mr Russell Brown (Dumfries and Galloway) (Lab): Even during these current difficult economic times, the UK's defence export sector requires ongoing research and technology investment, but if we are to increase levels of exports in the defence sector, how does that square with the Secretary of State's view, admittedly when in opposition, that US-UK interoperability is the key and he would intend to follow a much more pro-American profile in procurement?

Mr Howarth: Of course having a viable and successful defence industrial base in this country is very important; there is nothing to be interoperable with otherwise. I can assure the hon. Gentleman that we place a high premium on interoperability, partly because we think it will help to drive down costs if our equipment is interoperable with that of other countries. The United States is, of course, our principal ally in these matters, and is likely to continue to be—provided, of course, that they are helpful to us when we need their help in supporting our industry.

Departmental Reform

10. **Michael Ellis** (Northampton North) (Con): What recent progress has been made on reform of the structure of his Department; and if he will make a statement. [29886]

The Secretary of State for Defence (Dr Liam Fox): So far, the defence reform unit under Lord Levene has considered the key activities defence needs to undertake: an analysis of our current structure; how a number of other countries manage aspects of defence; and the benefits, disadvantages and robustness of a range of different operating models. It is currently considering proposals on how better to manage defence infrastructure and to deliver corporate services across defence. It is also examining the relationship between the head office, the rest of the Department and the armed forces.

Michael Ellis: I thank my right hon. Friend the Secretary of State for his response and congratulate him on the progress made. Can he assure us that the much-needed restructuring of the Ministry of Defence will not impact on the operation in Afghanistan or the provision of services to any of Her Majesty's armed forces?

Dr Fox: As I have said, defence reform is, effectively, a root-and-branch reform of the entire Department including, essentially, everything other than the front-line capabilities that were covered in the SDSR. It will have no impact on what is happening in Afghanistan, which will remain the prime effort of the MOD.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): In the context of reform, when does the Department intend to implement the recommendation in the report of the

Secretary of State's party colleague, the hon. Member for South West Wiltshire (Dr Murrison), envisaging the establishment of a veterans information service?

Dr Fox: That is part of our ongoing programme. Between now and next summer, we hope to unveil a number of measures relating to that and similar aspects of how the MOD and the armed forces interact.

Mr James Arbuthnot (North East Hampshire) (Con): Will the reform of defence acquisition be included in the work of the DRU, and when will the DRU be likely to report?

Dr Fox: Yes, acquisition will be part of what the DRU does; my right hon. Friend makes an important point. There will also be an announcement—I hope in the very near future—about a new chief of defence matériel, who will be important in that process. I hope the report on the acquisition reform will be available before the end of July 2011.

Mr Kevan Jones (North Durham) (Lab): The SDSR projected savings from the redundancies of 25,000 civilian civil servants in the MOD. In answers to parliamentary questions, the Secretary of State has previously stated that the cost of redundancy packages are yet unknown. Will he today share with the House the cost of making 25,000 civil servants redundant, or is this just another area of the SDSR where announcements are being made before the work has been done?

Dr Fox: Given the financial position the Government inherited, it was necessary to make major reductions in costs, not least in personnel. How those costs ultimately are manifested is dependent upon whether we require compulsory redundancies, how many are voluntary redundancies and how many are early retirements. These matters are subject to discussions with the civil service at the current time.

Major Equipment Procurement Programmes

11. **Claire Perry** (Devizes) (Con): What arrangements are in place to monitor the progress of his Department's major equipment procurement programmes. [29887]

14. **Mark Lancaster** (Milton Keynes North) (Con): What arrangements are in place to monitor the progress of his Department's major equipment procurement programmes. [29890]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): I receive monthly reports and quarterly detailed project health checks on the Ministry of Defence's largest projects. Last year, discounting deliberate policy decisions made by the previous Government, the MOD met all its targets to deliver its major projects to cost, time and performance. This year looks equally encouraging. The top 30 major projects are also reviewed annually by the National Audit Office and in this year's report the Comptroller and Auditor General said:

"In-year performance on the majority of large defence projects which we examined has been encouraging".

But we should not wait for the NAO to tell us how we are doing at the end of the year. That is why I can announce to the House today that the Secretary of State and I are forming a major projects performance board that will review our most significant projects regularly.

Claire Perry: I thank the Minister for that reply. Does he agree that in a long line of procurement failures from the previous Government, the £38 billion overspend in the defence budget takes the biscuit? Will he reassure the House on what steps will be taken so that that level of commercial failure will be, like the idea of a Labour Government, a thing of the past? *[Interruption.]*

Peter Luff: I hear howls of protest from those on the Opposition Front Bench, but over the weekend I heard the shadow Secretary of State fessing up to major failures in procurement. I strongly agree with my hon. Friend.

I am happy to tell you, Mr Speaker, that I cannot comply with your request for short answers and do justice to my hon. Friend's question because we have a range of measures in place to achieve precisely that outcome, including stronger controls over the entry for new projects in the equipment programme; a formal project start-up process that considers requirement risk, technical viability risk, affordability and deliverability; improving key skills; working closely with the NAO; and reaffirming our commitment to regular defence reviews. All that will achieve exactly the outcome that she so rightly desires.

Mr Speaker: We are most grateful.

Mark Lancaster: Historically, one of the fundamental problems with procurement has been a disconnect between Ministers, civil servants, uniformed personnel and the defence industry. How do we intend to address that problem in the future?

Peter Luff: My hon. Friend is absolutely right. We talk of a conspiracy of optimism in these major projects that has so often characterised procurement decisions in the past. The list I rattled through in answer to my hon. Friend the Member for Devizes (Claire Perry) partly addresses the concerns of my hon. Friend the Member for Milton Keynes North (Mark Lancaster). I am sorry that I said it so fast, but it was important to get it on the record. If I do not deliver on that, I think my job will be on the line.

Cyber-attacks

12. **Robert Halfon** (Harlow) (Con): What recent steps his Department has taken to reduce the risk of cyber-attacks on the defence estate; and if he will make a statement. [29888]

The Minister for the Armed Forces (Nick Harvey): As we set out in the strategic defence and security review, we attach a high priority to the cyber-defence of our systems. The Government have placed a renewed focus on that threat. We have recognised attacks through cyber-space as a tier 1 risk to national security and put an extra £650 million in place to enhance our protection. There are technical and procedural measures in place to protect MOD systems from cyber-attack and to ensure we can mitigate the impact of those attacks. The House will understand if I do not comment further on the detail of those measures.

Robert Halfon: I thank my hon. Friend for his reply. Following the welcome Stuxnet viral attack on the Iranian nuclear facility, what steps is the Ministry of Defence taking to avoid a similar assault on our internet infrastructure?

Nick Harvey: Our cyber-defences are regularly tested by intruders, and we are confident in our defences. The threat, of course, is changing in extent and complexity, which requires continual improvements in our security measures and novel approaches to deal with the more sophisticated threats.

James Morris (Halesowen and Rowley Regis) (Con): Recent news reports have indicated that cyber-attacks by WikiLeaks on critical national infrastructure are only likely to grow. Does the Minister agree that we must involve the private sector in ensuring that we can be ahead of the game when it comes to our cyber-security?

Nick Harvey: Yes. We are committed to working closely with the private sector in defence not only of our own systems but of those across Government. Many are, of course, provided by the private sector, so it is essential that we have the strongest possible partnership with it.

Afghanistan

13. **Caroline Dinenage** (Gosport) (Con): What recent progress has been made on the transition towards Afghan-led security and the withdrawal of UK forces from Afghanistan. [29889]

The Secretary of State for Defence (Dr Liam Fox): As I said in answer to an earlier question, the strength of the Afghan national army currently stands at around 144,000 and of the Afghan national police at around 116,000. Through continued investment in Afghan forces, we are confident that, by the end of 2014, they will be able to take the lead for security across their country.

Caroline Dinenage: Given that answer—that our aspiration is to withdraw from Afghanistan and that the SDSR is focused on supporting our troops over there—are we still wise to have effective cuts in our expeditionary fighting capabilities, particularly in the light of recent events in North Korea?

Dr Fox: In terms of what is happening in Afghanistan, we have made it very clear not only that that is the primary aim of our activity in the Ministry of Defence, but that it would be unaffected by the SDSR, including that particular expeditionary capability. It is not just what the armed forces are doing that contributes to that security: the UK's biggest direct police training effort is in Helmand, where we have 77 UK military personnel and nine MOD police improving the quality of the Afghan police, who are just as important as the Afghan national army for long-term security.

Paul Flynn (Newport West) (Lab): Why is the Secretary of State still in denial about the number of desertions and dismissals from the Afghan army and police being similar to the number of new recruits? Will he face up to the fact that when NATO leaves and the Afghan Government are fleeing to their boltholes in Dubai, the number of people deserting the Afghan army will increase massively?

Dr Fox: It is the hon. Gentleman's opinion that flies in the face of the facts. The net size of both the Afghan national army and police are increasing, as is their capability, and the governance that will ultimately determine how they are deployed is improving. There is cause for cautious optimism and it does nothing for the morale of our forces when people constantly pretend that there cannot possibly be a positive outcome in Afghanistan.

Sea King Helicopters

16. **Tony Cunningham** (Workington) (Lab): What studies his Department has undertaken on the feasibility of operating the existing fleet of Sea King search and rescue helicopters beyond 2016; and if he will make a statement. [29892]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): As part of the review of the search and rescue helicopter project a number of options have been considered, including extending the current search and rescue Sea King helicopters beyond 2016. An announcement will be made shortly.

Tony Cunningham: I thank the Minister for that answer, but will he explain why he plans to spend about £7 billion on American search and rescue helicopters rather than upgrade the Sea Kings at a fraction of the cost? Sea Kings did an incredible job during the flooding in my constituency.

Peter Luff: Apart from anything else, that is the plan we inherited. However, I assure the hon. Gentleman that all options are being considered extremely carefully. I repeat that an announcement will be made shortly.

Service Accommodation

17. **Ian Lavery** (Wansbeck) (Lab): What steps his Department is taking to raise the standard of service accommodation. [29893]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): The Government place a high priority on the welfare of service personnel and their families and will therefore seek to improve accommodation where necessary. More than 95% of service family accommodation properties in the UK are currently at the top two standards, out of four, for condition.

Ian Lavery: The Minister will be aware that as a result of the sale of the Chelsea barracks in 2007, £959 million was raised. Can he confirm that that money will be ring-fenced for service accommodation and that any future investment during the comprehensive spending review period will be new, rather than previously allocated, investment?

Mr Robathan: There was a story in the *News of the World* which was not entirely correct. *[Interruption.]* It was not entirely correct. A great deal of money was raised from the sale of Chelsea barracks but that was some four years ago when I do not recall our being in power. Having checked on this we have discovered that although the money is not ring-fenced, because we do not believe it should be, we have spent the vast majority of it and we will spend well in excess of that amount. As

a matter of interest, on Thursday I was fortuitously at Bulford, where I started the work on a new married quarters estate that will provide 260 state-of-the-art houses for our deserving personnel.

Armed Forces Personnel (Redundancies)

19. **Huw Irranca-Davies** (Ogmore) (Lab): What effects the redundancies in the armed forces announced in the strategic defence and security review will have on standing commitments. [29895]

The Minister for the Armed Forces (Nick Harvey): The strategic defence and security review sets out the requirements for the armed forces' contribution to standing commitments and identifies the restructured forces we will need over the next 10 years to meet them. Changes to the armed forces will not affect our non-discretionary standing commitments.

Huw Irranca-Davies: In respect of the cancellation of the Nimrod mark IV maritime patrol aircraft, does the Minister agree with the First Sea Lord, who said earlier this month that he was "very uncomfortable" about it and that

"I don't welcome the loss of the Nimrod"?

Are there any plans to replace the Nimrod and is it acceptable to make such cuts to our capability when military personnel are so concerned?

Nick Harvey: I entirely agree, as do all Ministers, with the discomfort that the First Sea Lord feels about this; the decision not to bring the Nimrod MRA4 into service was very difficult. We will have to bear some risk—it would be wrong to claim otherwise—but we will mitigate that risk by using other assets in the meantime, just as the previous Government had embarked on doing.

Defence Industry

22. **Graham Jones** (Hyndburn) (Lab): What recent discussions his Department has had with representatives of the defence industry on the effects of the reductions in expenditure proposed in the strategic defence and security review. [29899]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): Ministers and officials have had many discussions with industry representatives both during and since the outcome of the strategic defence and security review was announced in October, including a full meeting of the National Defence Industries Council, which I chaired last month.

Graham Jones: In October 1,000 people were put out of work by BAE Systems in Lancashire, and last week a further 1,300 job losses were announced, owing to SDSR cuts. Does the Minister think that these job losses are a price worth paying, and does he agree that they will have an adverse impact on the economy of east Lancashire?

Peter Luff: I emphatically do not think that is a price worth paying, but sadly it is a price that we have to pay, thanks to the economic incompetence of the previous Government.

Topical Questions

T1. [29900] **Duncan Hames** (Chippenham) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Dr Liam Fox): My departmental responsibilities are to ensure that our country is properly defended now and in the future, that our service personnel have the right equipment and training to allow them to succeed in their military tasks, and that we honour the military covenant.

Duncan Hames: What measures will the Minister be taking to improve the timeliness and reliability of the service voting scheme ahead of next year's elections and referendum?

Dr Fox: It would have been highly desirable to make the changes that we envisage ahead of the elections next May. It is unlikely that we will be able to do so in that time frame, but it is clear that change is needed. It is primarily a matter for the Ministry of Justice, but we have had a number of ministerial discussions between the two Departments to try to clarify those plans and to ensure that we have a legislative slot to enable us to implement them as quickly as possible.

Mr Jim Murphy (East Renfrewshire) (Lab): We have heard again today that our armed forces are helping to create new freedoms in Afghanistan. Here at home, the right to protest peacefully is crucial, but in recent days we have seen the appalling violation of the Cenotaph. Will the Secretary of State support an all-party cross-Government approach to see whether our war memorials, which are engraved with the names of many of our country's heroes, are properly protected from the actions of the few of our country's mindless hooligans?

Dr Fox: I fully associate myself with the comments of the shadow Defence Secretary. There must be outrage across this country at some of the scenes that we witnessed last week. In particular, it might be worth emphasising in the House to those students who took part in some of those demonstrations and who seem to take the freedoms that they have so much for granted that those freedoms were won by the sacrifices of previous generations, the names of whom are commemorated on some of those monuments. They deserve to be treated with far greater respect than they were last week.

T2. [29901] **Dr Thérèse Coffey** (Suffolk Coastal) (Con): 23 Engineer Regiment is based in my constituency and is one of a number of regiments currently serving in Helmand. The Minister has already taken the opportunity to pay tribute to all those involved in Operation Herrick 13, including our Danish and Estonian friends, but will he also pay tribute to the families of our brave servicemen and women who provide such strong emotional support, especially in this Christmas season?

The Minister for the Armed Forces (Nick Harvey): I have great pleasure in doing exactly that and paying tribute to all those who are serving in Afghanistan, who will be away from their families over Christmas. Our thoughts are with the families as well. On the contribution

being made in Helmand by our friends and allies from Denmark and Estonia, they have both been terrific and resolute allies to us and it will be my pleasure to visit both countries later this week to thank them for what they are doing and to discuss future co-operation.

Derek Twigg (Halton) (Lab): On "The Andrew Marr Show" yesterday, the former Prime Minister, John Major, said

"what I am wary of is giving advance notice of leaving. If you were Taliban what would you do on hearing that troops were leaving in 12 to 24 months? I think you would just wait until they had gone. We have to be clear what we are doing and"

why we are doing it.

Can the Secretary of State tell us why he thinks the former Prime Minister, who is supportive of the current Prime Minister, feels the need to say that now?

Dr Fox: As I said, there are no short-term milestones in terms of numbers, so there is no possibility of us setting out in advance the numbers that withdraw in 12 or 24 months. The Prime Minister made it clear that we may be able to reduce troop numbers if conditions on the ground are suitable.

T3. [29902] **Tony Baldry** (Banbury) (Con): What is the MOD's role in the European Defence Agency?

The Parliamentary Under-Secretary of State for Defence (Mr Gerald Howarth): We have decided to extend our membership of the European Defence Agency provisionally for two years, during which time we want to see the agency focus on capability-building, not institution-creation. The EDA, with the support of most other member states, wanted a 4% budget increase, but I am very pleased to be able to report to the House that at last week's meeting of EU Defence Ministers I was able to secure their agreement, nem. con., on a budget freeze, saving the British taxpayer about £200,000.

Angus Robertson (Moray) (SNP): Moray has the most defence-dependent economy in the UK, and recently the Ministry of Defence announced the closure of RAF Kinloss in the region. Given that neighbouring RAF Lossiemouth has already been rated as the best base for the next generation of fast jets, will the Secretary of State confirm that the ongoing RAF basing review is considering the unparalleled economic and social dislocation that would be caused by a double-base closure in Moray?

Dr Fox: The primary purpose of the basing review is to get the best defence outcomes for the United Kingdom. Obviously, those who represent seats in the area, the Scottish Government, the Scotland Office and others will wish to make representations about other aspects, including the social and economic impact, but the Ministry of Defence's recommendations will be based on the military solutions and what is best for the country as a whole.

T4. [29903] **Stephen Lloyd** (Eastbourne) (LD): Will the Minister update me on the progress of the reserved forces review, mentioned in the SDSR, and confirm that there will be no cuts to 56 Signal Squadron? It is partly based in my constituency, and I personally had the good fortune to witness the skill and dedication of its members during the cold snap, when, if it had not been for them, I think my local hospital would have struggled to stay open.

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I certainly pay tribute to the Signal Squadron and its work during the cold snap. The hon. Gentleman will understand that I cannot pre-empt the review, which only started less than two months ago, by saying whether there will be any changes to the squadron's configuration. What I can say is that we very much value the commitment and contribution of the reserves both at home and, now, on operational deployments.

Jeremy Corbyn (Islington North) (Lab): We are constantly being told that the next Parliament after 2015 will have to take the final decision on replacing the Trident nuclear missile system. Exactly how much money, which would otherwise not need to be spent, will be spent between now and then in preparing for that decision?

Dr Fox: That will depend on the initial gate decision and what flows from it, but it will be necessary to spend money to make it very clear that we are undertaking the research and development work that will be essential in allowing us to make that final decision. On the Government's policy, there is no change: we are committed to a submarine-based, continuous at-sea deterrent, because we believe that it is not only most effective, but cost-effective for the United Kingdom in an uncertain world.

T5. [29904] **Sajid Javid** (Bromsgrove) (Con): I find myself, surprisingly, echoing the comments of the shadow Defence Secretary. Many of my constituents were outraged by the desecration of our nation's most revered war memorial, the Cenotaph, last week by student yobs. No one has the right—no matter what the reason—to disrespect our fallen soldiers, and we should remember that their sacrifices allowed those people to demonstrate in the first place. Will my right hon. Friend join me in condemning those acts and in calling for the full force of the law to be used against those who carried out that wicked deed?

Dr Fox: In the spirit of Christmas, my hon. Friend should not be surprised that he now and again agrees with the shadow Defence Secretary. I do, again, echo those comments. Last week we saw a number of students who were peaceful protesters in support of their aim and we saw a number whose behaviour got out of hand, but to my eye we also saw a number of hard-line, anarchist and subversive groups parading on our streets, and that is utterly unacceptable in a free, liberal and democratic society.

John Woodcock (Barrow and Furness) (Lab/Co-op): May I take the Minister back to RAF search and rescue? Does he not understand the concerns of my constituents and the many thousands of people who walk and climb in the Lake district that we might be about to pay substantially more for an inferior service? If it remains the cheapest and best-value option to re-fit the existing helicopters, will he consider doing so?

The Parliamentary Under-Secretary of State for Defence (Peter Luff): I can reassure the House that the Government are absolutely committed to best-value options, unlike

the Labour party. I repeat that the announcement will be made very shortly and the hon. Gentleman will be able to judge the decision on its merits. I am afraid I can say nothing further until then.

T6. [29905] **Andrew Selous** (South West Bedfordshire) (Con): Will the Secretary of State give the House an as full as possible update on the ability of the Afghan Government to prevent terrorist organisations from organising within their own borders?

Dr Fox: As I said, along with the international community, we are making a major investment in the capability of the Afghan national security forces—both the army and the police—to establish a permanent rule of law and security in Afghanistan. The command structure of the Taliban and al-Qaeda has recently been disrupted, but it is worth the House noting that it is not simply the Government of Afghanistan who are involved in this. We require the constant co-operation of the Pakistan Government if we are to make that very vulnerable border between Afghanistan and Pakistan as safe as possible and give terrorists as little chance as we can of having a safe haven.

Mark Hendrick (Preston) (Lab/Co-op): The Secretary of State will be aware of the 1,400 job losses announced by BAE Systems as a result of Government cuts. That is a tremendous blow to the people of Preston, particularly those working at Samlesbury and Warton. Will he undertake to support tranche 3B of the Eurofighter Typhoon project, which they have not yet approved, and the joint strike fighter aircraft for the new two aircraft carriers?

Dr Fox: It is always regrettable when there are job losses. We remember that, behind every number, a family will undergo financial hardship as a consequence of such decisions. I give the hon. Gentleman an absolute assurance that we will be promoting Typhoon at every possible opportunity. I had a number of discussions in the Gulf last week on that issue and I recently visited India to try to boost the Typhoon bid. We are fully committed to the joint strike fighter, which will give us a fifth generation capability far greater than anything we currently have and offer intelligence, surveillance, target acquisition and reconnaissance—ISTAR—capabilities, which will see us well into the first half of the century.

T7. [29906] **Stephen Phillips** (Sleaford and North Hykeham) (Con): My hon. Friend will be aware of the sacrifice of the thousands of men and women of Bomber Command during the second world war. That sacrifice has never been properly recognised by the award of a campaign medal. When will it be?

Mr Robathan: May I take this opportunity to pay tribute to those of Bomber Command and, indeed, to the whole of the Royal Air Force during the second world war? They fought to defend our freedom so successfully and we owe them an enormous amount.

A review into medals is taking place—indeed, there are meetings this week—and I am also having meetings about a Bomber Command memorial, which will go up opposite the Royal Air Force Club in St James's park. It is a very fine memorial, and I look forward to it being erected and to paying proper tribute to Bomber Command, which I know some people feel has been slightly forgotten.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Further to the Secretary of State's earlier statement that there will still be British troops in Afghanistan post-2015, will he confirm whether Afghan national security forces or someone else will be responsible for their security?

Dr Fox: It is very clear that the aim is to have the threat degraded and the capability of the Afghan national security forces increased, so that they can take control of their own security. Some assistance with training and support may be required, but it is very clear—President Karzai has repeatedly made it clear—that it is the wish of the sovereign Government of Afghanistan that they take control of their own security by the end of 2014.

Sir Menzies Campbell (North East Fife) (LD): What possible strategic advantage would there be in the closure of RAF Leuchars in my constituency, when the base is uniquely geographically positioned to provide comprehensive air defence for the northern half of the United Kingdom?

Dr Fox: My right hon. and learned Friend makes an eloquent bid for the retention of the base in his constituency, as he has also done in private. As I said in answer to an earlier question, the basing review will be based purely on what gives Britain the best defence network. We will be taking those decisions over the coming months. We understand that there will be other considerations but, in determining our bases, it is the Ministry of Defence's job to consider what makes Britain safest.

Paul Flynn (Newport West) (Lab): When will the Secretary of State face the truth that his irrational optimism about a victory in Afghanistan is based on three collapsing foundations—the Afghan Government and the endemically corrupt police and army? Will he ask himself the question that haunted Senator Kerry in the last days of the Vietnam war: "Who will be the last soldier I will send to his death for a mistake?"?

Dr Fox: I do not believe for a moment that it is irrational optimism that drives a coalition of 48 countries to want to see not only better security, but better governance in that part of the world, which has a global impact. I would far rather be a victim of hope than despair.

T9. [29908] **Sarah Newton** (Truro and Falmouth) (Con): Will my right hon. Friend pay tribute to our armed services, including reservists, who are prepared at a moment's notice to mobilise to help in a national emergency such as that in Edinburgh last week?

Dr Fox: Our armed forces responded in a number of parts of the country to the snow emergency that we saw last week. In response to the request from Edinburgh city council, we immediately made armed forces assets available. I am sure that it is to the delight of the whole House, and especially to the Scottish Government and the Scottish nationalists, that it was Her Majesty's United Kingdom forces whom we were able to deploy for that purpose.

Huw Irranca-Davies (Ogmore) (Lab): I think we can all agree on the overriding importance that this House places on the defence training needs of the whole of the

UK armed forces tri-services. In a debate last week, we tried to get an answer to the question of what is the future of the defence training academy at St Athan after the news of its cancellation, but answer came there none. Can the Minister now give us an update with some clarity on what is the future for St Athan?

Nick Harvey: The defence training requirement across the three services is being reviewed in the light of the collapse of the project at St Athan. We are identifying possible sites either for tri-service training or taking the three services separately, and we will make an announcement when we have concluded that work in the spring.

T10. [29909] **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): Will my right hon. Friend update the House on Britain's role and strategic involvement in the middle east following the talks held in Manama?

Dr Fox: There has been a substantial amount of diplomatic activity by all parts of the Government, including the Ministry of Defence and the Foreign Office. There have been a number of visits to Gulf countries as part of our Gulf initiative to strengthen the relationships in what is a very important strategic part of the world. At the Manama dialogue, I had a number of bilaterals in-which I had discussions with the United States and some of our most important allies in the region.

Several hon. Members *rose—*

Mr Speaker: Order. As usual, demand has exceeded the time available, and we must now move on.

Public Order Policing

3.32 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement about the appalling violence that took place during last week's protests outside Parliament.

I want first to express my gratitude to those police officers and commanders who put themselves in harm's way. They showed great bravery and professionalism in the face of violence and provocation. It was this bravery that enabled this House to engage unhindered in democratic debate, and I know that the whole House will want to send them our thanks. I also want to thank Sir Paul Stephenson, who led the Metropolitan Police Service through a difficult operation and who serves London as commissioner with distinction.

Hon. Members may find it useful if I recap last week's events. On Thursday, 3,000 people assembled at the university of London union to march through central London. By the time the crowd reached Parliament square, police estimate that the number of demonstrators had grown to 15,000. The police maintained a barrier system outside the Palace of Westminster that allowed pedestrian access and the business of the House to continue at all times. Concerted attempts were made to breach the barrier lines. Protestors threw bottles, stones, paint, golf balls and flares, and attacked police with metal fencing.

A cordon was placed around Parliament square, but, throughout, those who remained peaceful and wished to leave via Whitehall were able to do so. A large number of protesters remained, many of whom committed acts of violent disorder, damaging historic statues in Parliament square, breaking windows and starting fires. Sporadic disorder also took place in the west end. It is quite clear that those acts were perpetrated not by a small minority, but by a significant number of trouble makers.

Some students behaved disgracefully. However, the police assess that the protests were infiltrated by organised groups of hardcore activists and street gangs bent on violence. Evidence from the other recent protests shows that many of those who caused violence were organised thugs, as well as students. It is highly likely that that was also the case last week.

I want to be absolutely clear that the blame for the violence lies squarely and solely with those who carried it out. The idea advanced by some that police tactics were to blame, when people came armed with sticks, flares, fireworks, stones and snooker balls, is as ridiculous as it is unfair.

We have a culture of policing in this country that is based on popular consent and trust between the police and the public. That must continue.

Thursday's police operation involved 2,800 officers. More than 30 officers were injured, of whom six required hospital treatment. All six have been discharged from hospital. Forty-three protesters were injured.

The Independent Police Complaints Commission has begun an independent investigation into the incident that left one protestor seriously injured. Right hon. and hon. Members will understand that it is not appropriate for me to comment further on that incident while the IPCC investigation is ongoing.

The Metropolitan police have confirmed that 35 people have been arrested so far. I expect that number to rise significantly as the criminal investigation continues. I confirm that there has been a good public response to the police's request for information on the 14 key perpetrators of violence, photographs of whom were published on Sunday. The Met will continue to publish pictures of key individuals in the week ahead.

I also want to inform the House about the attack on the royal car. The House will be aware that on their way to an engagement in central London, the car carrying the Prince of Wales and the Duchess of Cornwall was attacked by several protesters. There has been much speculation about the Duchess being struck through the window of the car. I understand that some contact was made.

The Metropolitan Police Commissioner has ordered an urgent review of the royalty protection arrangements that were in place on the night, which is due to report by Friday 17 December. Hon. Members will understand that, for security reasons, the public details of the report may be limited. I will await the findings of that review before deciding what, if any, further action is needed.

The Prince and the Duchess have already expressed their gratitude to the police. I am sure that the whole House will join me in condemning all the acts of violence that took place last week. I call on the organisers of the protests unequivocally to condemn violence as well.

The Government are determined to protect the right to peaceful protest, but violence is absolutely unacceptable and the perpetrators of that violence must be brought to justice.

Ed Balls (Morley and Outwood) (Lab/Co-op): All Labour Members understand and share the dismay, anger and injustice that are felt by hundreds of thousands of students and young people at the deeply unfair hike in tuition fees and the abolition of education maintenance allowance. All Labour Members also share the Home Secretary's anger and outrage at the way in which last Thursday's legitimate day of action was hijacked by a small but significant minority bent on provocation, violence and criminal damage.

The whole country was shocked and appalled at the cowardly and despicable attack on the car carrying His Royal Highness, the Prince of Wales, and the Duchess of Cornwall. The Commissioner of the Metropolitan Police and the Home Secretary have our full support in taking all the steps that are necessary to bring the perpetrators of that violence to justice.

Scenes of mass violence and protest on our streets are sights that all in this generation hoped we would not see again. We all have a responsibility—from student leaders and police chiefs, through to politicians and Prime Ministers—to do everything we can to avoid such confrontations in the future: we have to keep the peace. Here, there are lessons to be learned, and I have some detailed questions for the Home Secretary that I hope she can answer.

I start by saying that I agree wholeheartedly with the Home Secretary that the right first step is to await the report of the Commissioner of the Metropolitan Police and to resist jumping to any hasty conclusions. There is clearly a difficult balance for our police leaders to strike

between containment to control violence and ensuring that the innocent are not caught up, harmed or held for lengthy periods. If there are individual cases in which police officers overstep the mark, the right first step is for the IPCC to investigate, as is happening in the case of Mr Meadows. The commissioner is right to demand that all police officers must display their identification at all times.

It is important, too, that we recognise the bravery and commitment that our police officers showed last Thursday in the face of extreme provocation and physical danger. Without their professionalism and restraint, there would have been many more casualties.

I wish to ask the Home Secretary about royal protection, prosecutions, resourcing and police tactics. On royal security, given that this was the fourth time in a few weeks that a protest descended into violence, did she personally ask for and see a thorough assessment of the security of the royal family and other key individuals and buildings in advance of last Thursday's protests? At a time of rising security threats, and with the royal wedding coming next year, will she agree to shelve the cost-cutting review of royal security that is currently on her desk? When she sees the report from the commissioner on the particular lapse in royal security last Thursday, will she commission a new and wider review of the current level of threat to, and the security needs of, the royal family, including cars used for travelling around London?

On the protests more widely, people were appalled to see on their TV screens pictures of protestors urinating on the statue of Winston Churchill, swinging on flags on the Cenotaph or causing widespread criminal damage. It is important that those who commit violent acts are brought, and are seen to be brought, to justice, so will the Home Secretary tell the House not just how many protestors have been arrested but how many have actually been charged following these and earlier disturbances? It is important that we know that fact.

On resources, the Met deployed 3,000 officers last Thursday. On the day when the Home Secretary is announcing the biggest peacetime cuts to police funding in more than a century, can she confirm that next year and the year after, our police will still have the resources to police major events and keep our communities safe? Given that the biggest cuts in police budgets and numbers in London and across the country are scheduled to fall in the year of the Olympics, can she explain why, despite previously telling the House that the £600 million budget for Olympics policing and security would be protected, she is now seeking to cut it to £475 million—a 21% reduction that will put further pressure on police budgets—as she has announced this afternoon?

I turn to police tactics and the future use of water cannon and rubber bullets. Will the Home Secretary agree to set aside her own views and respect the operational judgment of the head of the Association of Chief Police Officers, Sir Hugh Orde, that the use of water cannon and rubber bullets in protests would be a blunt instrument and very difficult, and would risk escalating matters and doing more harm than good?

Finally, given that we have Second Reading of the police Bill this afternoon, and that for the first time we will have a single elected individual with the power to direct policing, can the Home Secretary tell the House what would happen if, in future, an elected police commissioner were to make a manifesto commitment to introduce water cannon and rubber bullets? Who would decide how best to keep our streets safe—the chief constable or the politician?

Mrs May: I welcome the right hon. Gentleman's comments about the police who so bravely stood up to the demonstrators and ensured that Parliament was protected last week during the demonstrations, and indeed the police who took action and policed London during the demonstrations that occurred on two previous days.

The right hon. Gentleman asked me a number of questions, including about royal protection and whether there should be a wider review in future. We regularly examine the provision of the protection scheme for members of the royal family, and indeed the protection that, as he will be aware, the Metropolitan police provides to other individuals in the UK, including a number of politicians such as members of the Government. It is important that that is done. It is also important that we clearly identify what happened in this incident and whether any issues need to be addressed as a result, and factor that into any considerations in the review of royal protection.

As the right hon. Gentleman will be aware, the number of people who have been arrested is varying, and is a moving feast. If I may, I will update him on the number of people who have been charged, but he will recognise that it will be changing over time—

Chris Bryant (Rhondda) (Lab): What is it now?

Mrs May: Information will be provided to the office of the right hon. Member for Morley and Outwood (Ed Balls) separately. We will do that to ensure that he knows the figure. He mentioned resources, but I have to say to him that, as someone who worked closely with the Chancellor and the Prime Minister under the previous Labour Government, and who has made something of a name for himself on the issue of figures, he really needs to pay a little more attention to the figures—*[Interruption.]* He says he is not asking about that, but he specifically asked me about Olympic security, and said that we would no longer be providing the £600 million we had set aside for that purpose.

Ed Balls *indicated assent.*

Mrs May: I see that he is nodding. I refer him to the written ministerial statement on police funding that was tabled in Parliament this morning:

> "Safety and security for the 2010 Olympics and Paralympics is a priority for this Government",

and a £600 million funding envelope will remain available for this purpose.

Ed Balls: Read on.

Mrs May: I am very happy to read the next bit. The right hon. Gentleman does not understand this, and it tells us quite a lot about his and his colleagues' attitude to funding. That £600 million has been protected; he said that it had not been, but it has. It has been possible, through efficiencies, to look at the amount we currently consider it might be necessary to spend, and we go on to say that we are confident that we can deliver this for around £475 million, but we are protecting—*[Interruption.]* Oh, so the right hon. Gentleman does not believe in trying to save money! That tells us a lot about him.

[Mrs May]

The right hon. Gentleman also mentioned the general issue of resources, and, yes, the funding allocations for individual police forces have been announced in the written ministerial statement today. I simply remind him that the Metropolitan police, in dealing with the incidents and demonstrations that took place last month and this month, are largely operating on the budget that was set by the Labour Government.

The right hon. Gentleman commented on tactics, and he mentioned rubber bullets. I do not think that, so far, either I or anybody on this side of the House has suggested the use of rubber bullets. I will clarify the position on water cannon. It is of course the responsibility of the Home Office to set the legal parameters for measures that can be used by the police, and, as I speak, water cannon have yet to be approved as a piece of equipment that can be used by the police. Then, senior police officers have the operational responsibility to decide what equipment they use, currently in agreement with police authorities and, in future, in agreement with police and crime commissioners. In relation to London, that decision would be agreed with the Mayor of London, who is the equivalent of a police and crime commissioner. I think that that mixture of legal oversight, professional discretion and democratic consent has to be right. However, I do not think that anyone wants to see water cannon used on the streets of Britain. As I said in my statement, if the right hon. Gentleman heard me, we have a different attitude to the culture of policing here in the UK. We police by consent, and that depends on trust between the police and the public. A range of measures is available to the police, and I do not think that water cannon are needed.

The right hon. Gentleman asked about police and crime commissioners, and said that, in future, they would have the power to direct policing. In advance of our debate later this afternoon, may I tell him that that is precisely what the police and crime commissioners will not have? Operational independence of the police chiefs will be maintained with police and crime commissioners, and if he does not understand that he obviously does not understand the Bill we shall debate later.

The police did a good job last Thursday, as they have done at previous demonstrations. They did make some errors, as the commissioner admitted, in relation to the first day of student demonstrations. We should thank them for all that they do to ensure that Parliament can carry on its debates unhindered by protesters.

Several hon. Members *rose—*

Mr Speaker: Order. Many right hon. and hon. Members are seeking to catch my eye. There are two further statements to follow, before we even reach the main business of the day, so if I am to accommodate the maximum number of colleagues on this statement, brevity in question and answer alike is essential.

David Tredinnick (Bosworth) (Con): Having faced rioters in Northern Ireland, I think that the fundamental problem was the route, which put thousands of potentially infiltrated marchers down Whitehall, with symbols of authority on both sides. It would have been much better to route the march to a public park—Southwark park or Hyde park—which I understand the National Union of Students wanted for the first march. Why are we not using snatch squads to take out the ringleaders before they can incite violence?

Mrs May: I thank my hon. Friend for his observations. Difficult judgments are made about the routes of these marches. He refers to the decisions, or the desires, of the NUS. One of the disappointments of what has happened so far is that, although the police have engaged with the NUS and discussed possible routes, a significant number of people have, sadly, come along purely to cause trouble, and the police have been dealing with them as best they can.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I endorse what the Home Secretary and my right hon. Friend the Member for Morley and Outwood (Ed Balls) said about violence helping only the exact opposite cause to that which the students seek to espouse. Will the report that will be produced on Friday deal in detail with the breakdown of and lapse in intelligence and communication, which is highly unusual with the protection service? Above all, will she say whether, under the police Bill, she would report to the House at all if such a demonstration took place in London, or more likely in Leeds, Liverpool or Sheffield, and there was a breakdown of law and order?

Mrs May: I thank the right hon. Gentleman for his opening remarks. In relation to what the report on royal protection will go into, he referred to a couple of matters on which there has been press speculation, such as the communications equipment. That is exactly the sort of issue that the report will consider. It will look in detail at exactly what happened, and will come out on Friday, although the amount of information that can be made public will be limited.

On the second point, I say to the right hon. Gentleman that I am here making a statement, and that we already have the equivalent of a police and crime commissioner in London—the Mayor.

Tom Brake (Carshalton and Wallington) (LD): Does the Home Secretary agree that there should be no knee-jerk reaction to this cowardly attack? We do not want to change the relationship between British citizens and the royal family, nor should we change policing tactics radically by introducing water cannon or rubber bullets.

Mrs May: I entirely agree with my hon. Friend and have said so on a couple of occasions, both in my statement and in response to the shadow Home Secretary.

Keith Vaz (Leicester East) (Lab): I am most grateful to the Home Secretary for agreeing to appear before the Home Affairs Committee tomorrow, when I am sure she will be probed on these and other issues. She is right that the police did an excellent job in protecting the Houses of Parliament, but there were concerns about other areas of the city. Although there will be an internal investigation, does she not consider it appropriate that Sir Denis O'Connor, chief inspector of Her Majesty's inspectorate of constabulary, provide guidance, not just for the Metropolitan police but for police in other areas, as that would be of great value to those who have to police such demonstrations in different cities in the future?

Mrs May: I look forward to appearing before the Home Affairs Committee tomorrow. I am sure that the right hon. Gentleman and his colleagues will have a number of very pertinent questions. There has already been a review of public order policing, but Sir Denis O'Connor is looking again at that review, in the light of what has taken place.

David T. C. Davies (Monmouth) (Con): Does the Home Secretary acknowledge that one problem is that the police know that any attempt to deal with violent protest will be met by a barrage of complaints to the IPCC, which some in high places will support? Does she accept that it is time that we started to think a little more about the human rights of police officers to do their jobs free of assault and injury?

Mrs May: In any such instances, the police have a balance to attain when policing protests. It is right that they should be accountable for their actions, and that the IPPC looks into questions and complaints about police actions, as with the individual who was seriously injured. However, it is also right for us to make it absolutely clear that the violence was the fault of those who came along determined to perpetrate it.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): I was particularly impressed with the intelligent, engaged and reasonable way in which many students came from my constituency to the House to lobby me as an MP, but is it not sad that the Home Secretary said nothing about them in her statement? What is she doing to encourage the police and the protest organisers to work together so that the voice of reasonable, legal protest is not silenced?

Mrs May: The police have the job not only of protecting Parliament and keeping our streets safe at such times, but of ensuring that peaceful protest can take place. That is what they were doing. Significantly, they ensured that pedestrian access to the House was open at all times so that a number of students who wished to come and lobby their Members of Parliament could do so. They had their voice heard and Parliament was able to debate unhindered the topic under consideration, and the police did a very good job.

Several hon. Members *rose*—

Mr Speaker: Order. I must just remind the House that in keeping with very long-standing convention, Members who were not here at the start of the Home Secretary's statement should not expect to be called.

Dr Julian Lewis (New Forest East) (Con): Does the Home Secretary accept that it is just as unacceptable for violent extremists to be present at student demonstrations as it would be for provocative foreign preachers to be present in the country when they have threatened to burn the Koran?

Mrs May: My hon. Friend has very cleverly linked two issues in his question, but he tempts me down a route that I do not think it appropriate to go down at this point.

Paul Goggins (Wythenshawe and Sale East) (Lab): May I join the Home Secretary in what she said about the violence and the conduct of the police last week? Unlike some of my hon. Friends, I would not completely rule out consideration of the use of water cannon, although nobody should think of that as a panacea. It is worth recalling that the last time water cannon was used—in Belfast—it was in the face of sustained attack from blast bombs and live rounds. Does she agree that the commissioner's priorities on days such as last Thursday must be good intelligence, effective communication and the earliest possible arrest of those who come looking for violence?

Mrs May: Indeed. The importance of intelligence and understanding what could happen is a significant element in the policing of such events. The use of water cannon has not traditionally been a part of the British model of policing. It has been used in Northern Ireland on occasions, but when there has been live fire, as the right hon. Gentleman said, which is a different sort of circumstance. It is important that we take operational advice from the police. Ultimately, such matters are operational police decisions, but, as I said, in England and Wales, it is a matter for the Home Office to determine whether using such measures is legal.

Dr Andrew Murrison (South West Wiltshire) (Con): Does the Home Secretary share the dismay of my constituents from the garrison town of Warminster at the truly gross acts perpetrated against the Cenotaph in Whitehall? Does she hope, like they do, that the criminal justice system is particularly severe on privileged and expensively educated people who should know better?

Mrs May: It is absolutely essential that all those who perpetrated acts of criminal damage and violence feel the full force of the law on them. The vast majority of the public of this country were dismayed to see a privileged young man desecrate the Cenotaph in that way, and attempt to desecrate the memory of our troops. They will contrast the bravery of our troops in Afghanistan with the actions of that individual.

Ian Paisley (North Antrim) (DUP): I welcome the Home Secretary's statement and associate myself with her condemnation of the thugs who invaded parts of this city last week. I also observe, however, that parts of the police operation, especially the royal detail, gave the appearance of being a shambles. That will require a serious report. Can she comment on whether a request has already been made for two water cannon to be drawn from the stock of six available in Northern Ireland? Is she aware of any conversations in that regard between the Metropolitan Police Commissioner and the Chief Constable of the Police Service of Northern Ireland?

Mrs May: On the tactics used by the police when policing demonstrations, the police will always consider all the available options. I have set out clearly the current position on the use of water cannon in England and Wales, but that has not yet been approved by the Home Office—

Chris Bryant: Not yet?

Mrs May: That is a correct statement of the facts. None has yet been approved for use in England and Wales, but of course such decisions must be taken in the light of the operational advice of the police.

Dr Julian Huppert (Cambridge) (LD): I absolutely deplore the violence and recognise the challenge that the police face in trying to ensure a proportionate response. However, does the Home Secretary recognise that there is still concern about the use of kettling and the handful of police officers who allegedly covered up their identification numbers? Will she look into these matters and make a statement to the House?

Mrs May: Of course, it is important that any complaints made about how the police operated are looked into and properly investigated. They should be accountable.

Fiona Mactaggart (Slough) (Lab): Is the Home Secretary confident that every peaceful protestor contained within a cordon was aware that they could leave peacefully via Whitehall?

Mrs May: Of course I was not actually down there talking to every protester. The police have assured me that a significant number of peaceful protesters left Parliament square, that that option was open to individuals, and that they facilitated it.

Justin Tomlinson (North Swindon) (Con): Will the thugs responsible be made to pay financially for the criminal damage caused?

Mrs May: It is important that the full force of the law is brought down on those identified as clearly guilty of criminal damage and violence.

Mr David Hanson (Delyn) (Lab): Does the Home Secretary recall that in last year's policing White Paper it was suggested that a protocol be compiled by police officers, police authorities and the Government on the policing of protests? Will she update us on the progress of that protocol?

Mrs May: It is clear that there should be regular reviews of how public order policing is undertaken. I have already said, in response to a question from the Chairman of the Home Affairs Committee, that HMIC, having looked at public order policing, is now further considering the matter in response to the recent incidents.

Mr Tobias Ellwood (Bournemouth East) (Con): There are occasions when the national community spirit of what is right and wrong can be as powerful as the law itself. I was encouraged to see a sense of national disgust and outrage at the events on Thursday, particularly the deliberate damage to the Cenotaph and the statue of Churchill—an insult to the people who championed the very freedoms that allowed the protesters to stage their protest in the first place.

Mrs May: Indeed. My hon. Friend is absolutely correct to say that the damage done to the Cenotaph and the sort of behaviour we saw there brought those demonstrators into disrepute. Also, many members of the public felt sick at the sight of a privileged individual behaving in that way, especially given that our brave troops in Afghanistan are putting their lives on the line for us every minute of the day.

Mr David Winnick (Walsall North) (Lab): No one here—I include myself in that—wants to condone any act of hooliganism, but does the Home Secretary accept that the large majority of people protesting on Thursday did so peacefully and lawfully? In my view, they had every justification for protesting. Will she let us know as quickly as possible why apparently—I repeat, apparently—attempts were made to prevent Alfie Meadows from being admitted to the hospital where he was later operated on for some three hours?

Mrs May: In response to the latter question, I can say, as I did in my statement, that the IPCC is investigating what happened to Alfie Meadows, who had serious head injuries. It is not appropriate for me to comment on that matter; it is for the IPCC to investigate it fully and properly. Of course a large number of people came to protest peacefully on Thursday. However, unlike in the previous demonstrations, the violent protesters were not a small minority—there was a significant number of violent demonstrators.

Charlie Elphicke (Dover) (Con): Given that we saw a feral mob intent on riot and desecrating important national symbols such as the Cenotaph, the statue of Churchill and the Supreme Court, will the Home Secretary praise in particular the restraint shown by the police in the face of such provocation and attacks from protesters?

Mrs May: My hon. Friend is absolutely right. The police very bravely faced significant provocation last Thursday, and they did indeed exercise restraint. A number of incidents are being investigated, but overall the police showed restraint, ensuring that Parliament was able to conduct its business and that people could access this place for the right and proper democratic debate that we wanted to take place.

Malcolm Wicks (Croydon North) (Lab): I support the Home Secretary's condemnation of violence, and I recognise the no-win situation the police find themselves in in such demonstrations, but what is her view of kettling, including of children? It is becoming more common, and when it goes on for hour after hour, does it not become a form of open air imprisonment that has nothing to do with the right of peaceful protest in our country?

Mrs May: The whole issue of kettling has been looked at previously. It has been supported as an appropriate technique that is available to the police to use. The operational decision on when it is right to use kettling—or not—must be left to the police. It is not for us as politicians to say, on any one occasion, whether it is appropriate to use kettling, but overall as a tactic it is appropriate.

Robert Halfon (Harlow) (Con): My constituents will be incredibly concerned about reports that suggest that some agitators came from overseas countries, such as Latvia and Germany. If that is the case, what steps will my right hon. Friend take to ensure that such agitators do not come from overseas in future?

Mrs May: My hon. Friend is trying to tempt me down a road that it is not necessarily appropriate for me to go down on this occasion. All I will say is that it is

important that we look at the make-up of the crowd. As I said in my statement, sadly what we saw was a significant number of people who came not to protest peacefully but to perpetrate and encourage violence and criminal damage.

Mr David Lammy (Tottenham) (Lab): Is not the point of a kettle that it brings things to the boil? Is the Home Secretary comfortable that largely because of her Government's decisions on the education maintenance allowance, minors and other young people were caught up in the kettle? She says that those who remained peaceful and wished to leave Whitehall were able to do so, but can she confirm that the IPCC is investigating a number of complaints about young people not being able to leave?

Mrs May: The police did ensure that it was possible for peaceful protesters to leave Parliament square on Thursday. They put those arrangements in place, and a significant number of protesters took advantage of that and were allowed to leave by the police.

Duncan Hames (Chippenham) (LD): What support can the police give to the organisers of public protests to help them to ensure that their protests are not infiltrated by malevolent forces who wish only to exploit and not enhance their cause?

Mrs May: My hon. Friend raises an important point about those who organise such demonstrations and who want to be able to carry out peaceful protest, so that their cause is not damaged by any violence that takes place. The police do engage with protesters: they were speaking with the National Union of Students and the university of London union before last Thursday's demonstration, making every effort to work with them on what would be appropriate to enable the peaceful protest to take place. However, I was very concerned when I saw one of the stewards of last Thursday's event interviewed on the BBC. When asked whether he would condemn the violence of the protesters, he said no, he would not. It does not help if organisations only appear to want to encourage peaceful protest.

Mr Dennis Skinner (Bolsover) (Lab): Is the Home Secretary aware that these protests had echoes of the poll tax demonstrations from years ago? As then, we now have a nasty, right-wing Government bringing in violent policies that people have only one way to react to—on the streets. And they will do it again, so long as this right-wing Government, with the Liberals as their allies, bring those policies in.

Mrs May: I do not agree with the hon. Gentleman. I had thought that perhaps in his many years in this House, he had mellowed slightly in his approach. I am very sorry that he spoke about violence but did not seek to condemn those who undertook violent protest, criminal damage and damage to individuals, including police officers.

Michael Ellis (Northampton North) (Con): Will my right hon. Friend commend the officers, particularly those of the royalty protection branch, for their admirable and extraordinary restraint when dealing with the disgraceful attack on the Prince of Wales and the Duchess of Cornwall, and recognise that the vast majority of protection officers in other countries around the world might well have resorted to deadly force in similar circumstances?

Mrs May: I am happy to join my hon. Friend in commending the restraint shown by the royal protection officers, as did the Metropolitan Police Commissioner on Friday morning in his radio interview. It was important that the officers concentrated on getting His Royal Highness and the Duchess of Cornwall to their venue, which they did admirably and in a short space of time. They did indeed respond with restraint.

Jeremy Corbyn (Islington North) (Lab): I met a number of students last Thursday evening who were shocked and distressed. They were entirely peaceable people, but they had been held for seven hours against their will on the streets of this capital city and they were terrified when horses charged into them while they were taking part in a demonstration to raise their legitimate concerns. Will the Home Secretary have a serious discussion with the Metropolitan Police Commissioner about the use of kettling tactics and corralling people against their will when they wish only to demonstrate peacefully against what they see as—and I agree with them—the monstrous imposition of a fees increase.

Mrs May: I am afraid that the picture of what happened last Thursday as set out by the hon. Gentleman is somewhat different from what happened. Yes, there were peaceful protesters, and the police were making sure that those protesters were able to leave the Parliament square area if they wished to do so. I hoped that the hon. Gentleman would join me in condemning the violence shown by the significant number of people who came to the demonstration intent on creating criminal damage, trouble and mayhem. I hope he will also condemn the appalling behaviour of the individual who sought to desecrate the Cenotaph.

Christopher Pincher (Tamworth) (Con): I agree with my right hon. Friend that the only people responsible for the violence were the thugs who committed it. I too commend the actions of the police, which I saw from my office window. Will she give us some idea of when the substantive report into the violence will be brought forward and acted upon, because after three marches and three occasions of increasing violence, surely something needs to be done?

Mrs May: Of course the Metropolitan police look at what happens in any demonstration, decide whether they need to use different tactics and look to see what lessons can be learned from the previous one. That is entirely right and proper, but decisions about the tactics that will be used for any demonstration are operational matters for the Metropolitan police.

Jack Dromey (Birmingham, Erdington) (Lab): The Home Secretary was reported yesterday as appearing to contemplate the use of water cannon; today, she appears to be ruling out the use of water cannon. Will she clarify this beyond any doubt: will she rule out the use of water cannon on British streets?

Mrs May: I made it clear in my earlier comments that I do not think anybody wants water cannon used on British streets. What I said in the interview yesterday is

[Mrs May]

that the Metropolitan police will of course look at the range of tactics available to them to consider whether there is any tactic not yet used that they might wish to use. Currently, as I speak here today, the legal position is that water cannon are not approved for use on the streets of England and Wales. If the hon. Gentleman had listened carefully to my interview yesterday, he would have heard me make the point that we have a different approach to policing in this country from what is seen in many continental countries. I have reiterated that view in my statement today and in further responses to the questions put to me. In Britain, we police by consent, which depends on the link of trust between the police and the public—and long may that continue.

Andrew Stephenson (Pendle) (Con): Given what some student leaders have said since the scenes that we saw on Thursday—many are still refusing to condemn the violence—does the Home Secretary expect similar violent protests in the coming weeks? Will she assure us that everything possible is being done to ensure that the scenes that we saw on Thursday are not repeated?

Mrs May: There have been a number of suggestions that further demonstrations will take place, and I expect the police to continue to deal with such demonstrations robustly.

Dr Hywel Francis (Aberavon) (Lab): The Home Secretary will be aware that the Association of Chief Police Officers has excellent guidelines on kettling or containment. Does she agree that in the future—never mind what has happened in the past—it would be good to focus specifically on communication between the organisers of demonstrations and the police?

Mrs May: Yes, there are guidelines on the use of kettling, when it is appropriate and how it should be undertaken. As for communications between the police and organisers, one of the features of the demonstrations that have taken place so far is that although the police have taken great pains to communicate with the organisers, sadly the organisers have then not appeared to be able to maintain the demonstration as originally suggested. We have seen a number of violent people doing what they want to do, which is to create criminal damage and violence at the heart of those demonstrations, and that is something that we must all condemn. Peaceful protest is appropriate, and we want to enable it to happen, but violent protest is not.

Kerry McCarthy (Bristol East) (Lab): I accept that the police had a very difficult job to do last Thursday, but last night when I met students at the university of the West of England who had been in London to carry out a lawful and peaceful protest, I was disturbed to hear their accounts of how they felt the police had overstepped the mark, to see video footage of horses charging into protesters, and told of injuries from truncheons and so on. Can the Home Secretary assure me that if I write to her giving personal accounts from people who were there on Thursday, she will treat their complaints seriously?

Mrs May: Of course the hon. Lady is free to write to me about those matters. There is a formal process which is appropriate if individuals wish to make complaints about the way the police have treated them, and a number of complaints are currently being investigated. However, let me point out to the hon. Lady and to any other Members who may agree with her that we should not focus on how the police responded. They should be accountable and complaints should be investigated, but we must ensure that we focus on those whose responsibility it was for violence to occur in the first place. That was not the police; it was the protesters.

Chris Bryant (Rhondda) (Lab): I, too, wholeheartedly condemn the deliberate violence-mongering that ruined what would otherwise have been a perfectly admirable peaceful protest last Thursday, but the Home Secretary seems to be equivocating a bit on the question of water cannon. She said that they were not legal yet, as if she was implying that she might be persuaded to change her mind. As one who experienced water cannon in Chile in the 1980s, I can assure her that they are entirely indiscriminate, can lead to panic among those who are protesting, and can cause serious injury. The last time they were used in Stuttgart was a couple of months ago, when two people were blinded by them. Will the Home Secretary therefore rule out giving permission for the use of water cannon in this country?

Mrs May: I have made the position absolutely clear to the hon. Gentleman and others. I do not think that any of us want to see water cannon being used on the streets of England and Wales. I have said that several times in response to questions on my statement, and I think that the hon. Gentleman should have listened to my earlier answers.

Mr Speaker: I thank the Home Secretary and all colleagues for their co-operation. I now call the Secretary of State for Communities and Local Government to make his statement.

Local Government Finance

4.19 pm

The Secretary of State for Communities and Local Government (Mr Eric Pickles): With permission, Mr Speaker, I should like to make a statement on finance for English local authorities for 2011 to 2013.

The spending review set out how the Government would tackle the catastrophic levels of public debt by delivering necessary reductions in public spending to accelerate deficit reduction and put the public finances back on a sustainable footing. This has involved difficult, but essential and responsible, decisions. Every part of the public sector needs to do its bit to help to reduce the highest deficit in the UK's peacetime history and the rapidly rising national debt that this Government have inherited.

Last year, the Government borrowed one pound in every four they spent. That threatened our economic credibility. In contrast, our plans to eliminate the current structural deficit over five years have won the backing of the International Monetary Fund, kept our credit rating steady and held interest rates down. The Office for Budget Responsibility's forecast confirms we are taking the right steps. Its message is that Britain's recovery is on track.

I have sought to achieve a fair and sustainable settlement for local government by listening to what the local government community has asked for. It will be a progressive settlement that is fair between different parts of the country. First, we have focused on the most vulnerable communities with significant social challenges. These are often the areas that are most reliant on Government grant, so equal grant reductions would leave the poorest places worst off. We have insulated them by giving more weight to the levels of need within different areas and less weight to per capita distributions. We have also grouped councils into four bands, reflecting their dependence on central Government. More dependent places will therefore see proportionally lower falls than more self-sufficient places.

Secondly, we have listened to concerns about the front-loading of the reductions. The Local Government Association asked me to focus on local government total spending, including not just grants but income from council tax and NHS funding to support social care and benefit health. It said that reductions in spending should be limited to 8%. As far as possible, I have given the LGA what it asked for. I have made sure that no authority will face more than an 8.9% reduction in spending power in either 2011-12 or 2012-13. In fact, the average reduction in spending power for 2011-12 is 4.4%. To fund this, I have transferred an extra £30 million of my Department's budget to local government for 2011-12. I have also provided a grant of £85 million for 2011-12 and £14 million for 2012-13 to fund councils who would otherwise have seen sharper falls.

The spending review also announced that the Government would protect the public from excessive council tax rises. We have set aside £650 million so every council can freeze council tax next year without hitting local services. We will provide councils that freeze council tax with the equivalent of a 2.5% increase in funding instead. That will provide real help to hard-working families and people on fixed incomes, such as pensioners.

The Government also want to ensure that council tax payers are protected against authorities that reject the offer and impose excessive council tax rises. We will introduce powers for residents to veto excessive council tax increases through a local referendum. In the meantime, the Government will take capping action against councils that propose excessive rises.

When the House debates the final local government finance report next year, I will set out the capping principles. I will also publish shortly details of the figures that will be used to compare authorities' budgets between years, should capping be necessary. The previous Government had planned to cap the police authorities of Greater Manchester and Nottinghamshire after they set excessive increases in 2010-11. Subject to challenge, we will ensure that, should they decide not to freeze the council tax, neither can impose an increase of over 2.5% in 2011-12.

This settlement also supports the Government's commitment to adult social care, providing councils with sufficient resources to protect people's access to care and to deliver improved quality of outcome. That includes £150 million of NHS funding in 2011-12 to support social care services, promoting integrated working between primary care trusts and local authorities and benefiting the health system. The settlement directs more formula grant to authorities that deliver social care.

Despite all the actions we have taken, I recognise that local government still faces significant challenges. The vast majority of councils have been making sensible plans to address them. I support that and I am restoring real power to councils, ensuring that Whitehall interference, red tape and the burdens of inspection and regulations are gone. The Localism Bill, published today, will deliver a new democratic settlement to local councils, overturning decades of central Government control.

For too long, councils have been barred from using their initiative and creativity to improve services. The limited "power of well-being" acted as an obstacle to cost savings, such as mutual insurance companies. Today's Bill will fundamentally change councils' freedom to act in the interest of their local communities through a new general power of competence. That will give councils the legal reassurance and confidence they need to innovate, drive down costs and deliver more effective services. I am also giving councils greater control over their budgets.

With very few exceptions, we have ended grant ring-fencing so that councils can decide for themselves how their money is spent. We will also allow them to borrow against future business rates receipts. Councils now have the freedom and responsibility to concentrate on what residents want: protecting front-line services. To support them, I have set aside £2 million to help councils to modernise and reduce back-office costs.

Councils can protect front-line services by sharing services and back-office functions, improving procurement to get more for less, bringing increasing senior pay under control and using transparency to cut waste. Proactive councils are already taking the opportunity radically to rethink and transform their services. There are also substantial incentives available for councils to invest in long-term projects, which include the new homes bonus and £1.4 billion of regional growth funds over three years—a fund that goes well beyond the working neighbourhoods fund. There will now be a

[Mr Eric Pickles]

statutory consultation on the settlement for 2011-12 and I look forward to hearing representations from councils.

Finally, this is a transitional settlement, using an inherited system. That is why I have set out details only for the next two years to strike a balance between the need to help councils plan and the need to reform the system. This system, based on redistributing business rates, makes councils heavily reliant on handouts from central Government—some depend on us for up to 75% of their spending power. It is part of the trend that has led to some areas of the country becoming completely dependent on the public sector. It makes planning difficult, weakens local accountability and stifles local innovation. There is no incentive for councils to invest in their local economy as they will see most of the proceeds disappear.

That is why I have set up a review of business rates with the intention that, in future, local government will be able to keep more of what it collects. Ultimately, the councils that invest and support the local economy will be able better to use the finances themselves. The local government resource review will begin in the new year. I commend the statement to the House.

Caroline Flint (Don Valley) (Lab): I thank the Secretary of State for giving us 40 minutes' advance notice of his statement and its 11 attachments. Obviously, we will have to look very carefully at the detail of today's settlement because, as we all know, the devil is in the detail. I welcome his acknowledgement of the concerns about front loading caused by the comprehensive spending review profile. Many have made that case, although even today the Minister for Housing and Local Government seemed to deny, on a programme that we both appeared on, that front loading would be a problem. The fact is that it still exists, even after the Secretary of State's statement, but it is a shame that it was not uppermost in his mind when he raced to the front of the queue to settle his Department's cuts with the Chancellor.

At first sight, there is little else to be thankful for, because today's announcement includes heavily front-loaded cuts to local government that are not only damaging but deeply cynical. The Secretary of State comes to the House with his statement in one hand and a localism shovel in the other, because he thinks that today is a good day to bury bad news. We have been inundated with empty rhetoric about localism, three written ministerial statements on localism, the publication and First Reading of the long-awaited and much-delayed Localism Bill and a stream of articles and briefings over the weekend, including appearances in which he has waxed lyrical about devolving power to local government. All those promises ring hollow when at the same time he imposes unprecedented cuts on town halls the length and breadth of the country. He is offering councils devolution while holding a gun to their head.

Today we find out what the Government really plan to devolve to local councils: the most devastating cuts in funding for a generation and the blame for difficult decisions. What is worse, the Secretary of State does this with barely disguised relish and to the cheers of his Back Benchers. Time and again, he has spoken of the virtues of local government. He promises to free local councils from the shackles of Whitehall and pledges to give them extra freedoms and powers, but if he really believes in local government, why has he imposed cuts on town halls up and down the country bigger than those for almost every Whitehall Department? Does he really believe that the regional growth fund, which has been sliced enormously, can make up for the losses that local government is facing? Why has he still front loaded the cuts so that the heaviest reductions will fall in the first two years and why has he refused to give councils the help and flexibility they need to meet the cost of redundancy payments? I think that he meant to refer to £200 million to help with costs rather than £2 million, which is what he said. Even so, the Local Government Association is asking for £2 billion-worth of flexibility to handle the redundancy payments that will have to be faced across England.

What further assurances can the Secretary of State give that the poorest councils will not bear the heaviest burden? Like others, I was intrigued when he talked about the spending power of local authorities. Will he explain in more detail how he has worked out each council's total spending power to enable him to claim that no authority will face more than an 8.9% reduction in spending power from 2011 to 2013? Why does he not talk about the revenue support grant and the cuts to that rather than mixing in council tax revenues and spending provided by the NHS? For someone with so much to say about town hall communications, bin collections and Christmas celebrations, and given that barely a speech passes without being spiced up by a reference to curries, the Secretary of State has so little say about the impact of these cuts. Local councils, the people whom they employ and the communities they serve deserve better than that, as do their partners in the big society. Today's settlement means that far from community groups and the voluntary sector being liberated to do more, as the Government promise, they might be so hampered that they end up doing much less.

Be in no doubt, these cuts will hit front-line services and cause massive job losses in the public and private sectors. For all Ministers' traipsing around the TV studios pretending that savings of this magnitude can be made by efficiency drives and sharing back-room functions alone, the reality is very different—and everybody knows it. Even Baroness Eaton, a Conservative peer and the chair of the Local Government Association has admitted:

> "These cuts will hurt. We know this means there will be fewer libraries, more potholes going unrepaired, parks shutting earlier and youth clubs closing."

This is not about whether or not local government funding should be reduced. Across the House, we all accept that the deficit needs reducing—[Hon. Members: "Ah!"] Yes, and that would have meant cuts to local government funding whoever won the election—I made that clear in last week's debate and I say it again today—but the Government have made their choice. They have chosen to impose cuts on local government harder and faster than in almost any Whitehall Department. There is nothing localist about that. We on the Labour Benches are in favour of empowering local councils and giving people a greater say in the way they run their local communities and in how services are provided, but if the Secretary of State thinks that he can get away with using localism as a smokescreen for unprecedented

cuts to local government which still, even after today's statement, fall heaviest in the first two years, he had better think again.

The Secretary of State announced today the dawn of a new constitutional settlement. I therefore look forward to his confirmation that, in line with convention, the Localism Bill will be considered in Committee on the Floor of the House.

In last week's Opposition day debate I set the Secretary of State three challenges: to spread the cuts more evenly over four years; to protects jobs and front-line services by ensuring that councils have sufficient capitalisation funds to meet the cost of redundancy payments; and to ensure that the burden of cuts is spread fairly around the country and between our communities. Despite today's assurances, he has not convinced us that his localism is any more than a cover for cuts. People up and down the country will pay the price for his failure.

Mr Pickles: Well, so much for gratitude. I do not want to start up the hunting debate again, but we have shot the right hon. Lady's fox and she has been less than gracious. The first thing we did was to change relative needs level from 73% to 83%. Then we introduced banded floors, and then we introduced a special damping for authorities more dependent on grant than others. This settlement—this formula—is more progressive, protecting vulnerable communities, than anything that the Labour party has produced.

As for the right hon. Lady saying, "What are these figures?", it is not so long ago that the hon. Member for Derby North (Chris Williamson) was demanding this way of measurement—that we should not just take basic grant and that we should include the question of council tax and money coming from other grants and from the national health service which primary care trusts are spending. It is good to see along the Front Bench my right hon. Friend the Health Secretary, who has done so much to ensure that local government is getting additional powers in this area.

We have delivered everything that the Opposition identified. We have protected the most vulnerable. The right hon. Lady seemed to start saying that we had not done too bad a job, but found that she had notes prepared earlier condemning us.

Henry Smith (Crawley) (Con): I very much welcome this truly progressive statement. I congratulate my local authorities in Crawley and West Sussex on the significant efficiency savings that they have already made. Can the Secretary of State confirm that, as we develop the funding formula, it will become more transparent?

Mr Pickles: I can confirm to my hon. Friend that that will be the case. The present formula is very difficult to operate. In developing it I had worries with regard to balancing need against sparsity. It is always difficult to do that. We had to move extra money across from my Department in order to protect certain vulnerable districts that are not benefiting from the increase in spending in respect of adult social care and the extra help being offered in conjunction with PCTs.

Simon Danczuk (Rochdale) (Lab): Although the Secretary of State clearly has the stomach for these terrible cuts, that is not the case in local government. In Rochdale, the Liberal-Conservative coalition council has collapsed under the weight of the Government's unfair front-loaded cuts. Today the eighth Lib Dem councillor resigned from their party. Will the Secretary of State join me in congratulating Rochdale's Labour councillors, who have put lead in their pencils and taken minority control to create a compassionate council that cares about local people?

Mr Pickles: The hon. Gentleman had clearly prepared his speech before I delivered my statement. How can 8.9% extra help to Rochdale—to his council—and the following year a 4.3% drop in spending power be regarded as front loading? We have gone out of our way to help Rochdale. We have offered more help than the Labour party would have done. The hon. Gentleman's council would be a lot worse off if we had applied Labour's formula. This is a progressive settlement which protects the vulnerable, and the hon. Gentleman does himself no good by not recognising that fact.

Andrew Percy (Brigg and Goole) (Con): I welcome the statement and, in particular, the announcement of a general power of competence for local councils. Will that or a similar power extend to parish councils? There is a great opportunity for parish councils to help local councils, as we did in my village this weekend with snow removal. There is a great opportunity also for parish councils, working with their district councils, to help save money, so will that power extend to the parishes?

Mr Pickles: Increasingly, we will encourage more parish councils to be formed. We believe that the neighbourhood is the natural point to which funding should go for local authorities, and I am very happy to confirm to my hon. Friend that, indeed, parish councils will get a general power of competence. Basically, the chain will turn on its head: the normal presumption is that councils have to find a law to take a particular action; now, they will have to find a law that prevents them from doing so. I think that that will allow for greater flexibility.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I congratulate the right hon. Gentleman, whom I must describe as Eric through the looking glass, on being able to persuade his minority coalition partners that a scorched earth policy is actually fair and progressive. This year, the national business rate will raise just over £22 billion. Is it not the case that, by 2014-15, the amount that central Government distribute will equal the business rate and run very close to breaking the current law, whereby they are required to distribute the whole grant to English local government?

Mr Pickles: I thank the right hon. Gentleman for the allusion. He seems to be vying for the title of the Red Queen: judgment first, judgment first, before he hears the facts.

Mr Blunkett: Better than the White Rabbit.

Mr Pickles: Before the right hon. Gentleman disappears down his own rabbit hole, I will continue.

There is a theoretical surplus in 2013-14, but the right hon. Gentleman knows that we have an obligation to distribute the national non-domestic rate to authorities.

[Mr Pickles]

The figure of £3 billion is overstated, because the Office for Budget Responsibility has not taken into account the number of grants that we have rolled into the block grant. We have done that because of its distributive effect, and by 2013-14 we hope that a new system of local government finance will be in place.

Miss Anne McIntosh (Thirsk and Malton) (Con): This announcement is the other side of the coin for flood defence spending. Will my right hon. Friend explain what proportions of the budget, with the removal of ring fencing, will be spent on capital expenditure and on maintenance? Will he consult on the possibility, if councils find themselves short of money, of water companies adopting and maintaining new sustainable drainage systems?

Mr Pickles: The latter point will of course be a matter for my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs. On the capital programme, the various Departments will make their usual announcements in the reasonably near future, so that local authorities have an indication of their capital programmes.

Joan Ruddock (Lewisham, Deptford) (Lab): The Secretary of State speaks of fair, sustainable and progressive proposals, but he must be using a different dictionary from the one on my bookcase, because his proposals will devastate my deprived constituency and borough of Lewisham. Given that 40% of the budget is spent on elderly and children's care, can he not see that the proposals will mean draconian cuts in everything else? Will he not admit that his real agenda is shrinking the state and shifting the blame?

Mr Pickles: The hon. Lady will be pleased to know that Lewisham faces a drop in spending of 6.5% this year and 4.3% the following year. That does not strike me as draconian by any stretch of the imagination. She has made her reputation on shroud waving in this Chamber, but she should be addressing the needs of the people of Lewisham, who will continue to receive a high level of support from the central state to ensure reasonable provision in Lewisham.

Stephen Gilbert (St Austell and Newquay) (LD): Does the Secretary of State agree that the ending of ring fencing announced today and the introduction of the Localism Bill mark an historic turning point for local government in our country? After 13 years of the previous Government micro-managing every part of local government, today marks the day when the coalition takes Whitehall out of the town hall.

Mr Pickles: I entirely agree with my hon. Friend. I am delighted that the reductions in Cornwall will be 3.9% next year and 2.2% the following year. He is entirely correct. No matter what the Opposition say, we are passing real, substantial powers to local authorities. We have reduced the number ring-fenced from 90 to about 10. The only substantial ones to note are the school grant and the national health service grant that starts in 2013. We have given local authorities a great deal of leeway and discretion. Given that the Local Government Association said that it would be perfectly capable of dealing with a 9% reduction in spending and that the overwhelming majority of councils are well below 8%, I am very surprised—as, no doubt, he is—that there is not more celebration across the Chamber.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Liverpool is the most deprived city in the country and 40% of 16 to 18-year-olds there are about to lose all their education maintenance allowances. Will the Secretary of State tell the House how much Liverpool will lose in cash terms, including the cuts already made this year?

Mr Pickles: I made a very pleasant visit to Liverpool earlier this year and had the opportunity to meet and spend time with Councillor Joe Anderson. He told me that he felt that his chief executive and senior staff were overpaid. I commend to the hon. Lady the very brave decision that he has taken today to reduce his top management of 74 by 48. By just removing 48 staff and those among the top officers taking pay cuts, £4.25 million has been saved. That is an indication of the determination of Liverpool. I am delighted to tell her that giving a new damping grant to Liverpool has meant that we have saved an extra £15 million on top of that.

Rory Stewart (Penrith and The Border) (Con): Given the unique problems faced by rural areas and the incredible creativity and energy with which the Eden valley and other communities are overcoming their problems, will the Secretary of State please reassure us about the impact that these decisions will have on rural communities?

Mr Pickles: One of the great difficulties that I have alluded to is trying to balance relative need with sparsity, which is extremely difficult. I was very keen to pass the additional money available for adult social care into those communities. That has meant that some district councils—by their nature, because they are not social services departments—have faced a quite considerable reduction. That is why we have moved additional money across from my Department to ensure that those communities are not put at a disadvantage. I admit to my hon. Friend that this is a stop-gap, but I hope that within two years we will be producing a much fairer, much more transparent and much more honest policy. We are operating on the basis of an inherited policy, but frankly it was not worth the candle to dismantle it just for two years.

Mr Bob Ainsworth (Coventry North East) (Lab): As Coventry council declares hundreds of redundancies, how does the Secretary of State justify his denials that he is relishing wielding the axe, given that he was one of the first Secretaries of State to settle with the Treasury at one of the highest levels of cuts? How does he claim to be concerned about the most deprived communities given the cuts that he made to the area-based grants, which fall almost entirely on those councils with the most deprived areas within their jurisdictions?

Mr Pickles: The right hon. Gentleman is a very distinguished Member of the House, and he should know not to believe everything he sees in the newspapers. I settled with the Chancellor three days—I think—before the final settlement. I have no idea why the stories that I was an early settler came out. I am sure that the right

hon. Gentleman will be delighted that Coventry faces a cut in its spending of 5.9%, and 3.9% the following year. The substantive point is this. I listened to the chief executive of Coventry council this morning on the radio, and given what the council has been doing in terms of greater efficiency and amalgamating services, what we have been able to offer through this process has meant that Coventry has received considerable protection. The levels of cuts are in single figures. This time last week, Opposition Members told us that we were going to see reductions in spending of 20% or 30%. We were told it was going to be Armageddon, so they would have settled for 5.9%.

Heather Wheeler (South Derbyshire) (Con): While I congratulate the Secretary of State on looking after the most vulnerable people in society, may I press him to give some comfort to middle England and the district councils, particularly given the situation that we face over disabled the facility grant and other issues that are coming along, especially in South Derbyshire?

Mr Pickles: We are all paying a great deal of attention to the squeezed middle, not least those on the Opposition Benches. One of the consequences of our decision to put substantial moneys into adult social care, as well as the move-across on the bus grant, is that the district councils, by proportion, received a much smaller amount. That is why we put in some additional sums of money in order to protect them. I think that middle England is safe with the coalition.

Mr Clive Betts (Sheffield South East) (Lab): The Secretary of State is right that local government was fearful of the up-front nature of the cuts, which is still there, and the disparities in the cuts, particularly in that they most adversely affect those authorities with the highest level of grant. Will he therefore produce figures comparing not only grant settlements year on year but total spending levels, including council tax, authority by authority? Although he says that the highest cuts in total spending power reduction will be 9%, if the average is 4.4%, does that not mean that some authorities will get no cuts at all, or even perhaps a small increase?

Mr Pickles: I believe that Dorset gets a 0.1% increase in its financing; I hope that it will not go mad and squander that additional sum of money. I do not think that any place in England is seeing an increase, when the fact that district councils are receiving a considerably greater reduction in their spending power is taken into consideration. The hon. Gentleman may have seen the bundle of documents that I have here, which include lots of things explaining exactly how we have done this. I commend to him the straightforward calculation on pages 55 to 56, which explains precisely and exactly how the figures have been worked out.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I remind hon. Members that questions are supposed to be short. If the answers could be short as well, that would be helpful, because many hon. Members still wish to participate.

Christopher Pincher (Tamworth) (Con): Will my right hon. Friend commend Lichfield district council and Tamworth borough council on leading the way by sharing front-of-house and back-office services to save council tax payers' money? Will he also congratulate Tamworth borough council on its announcement that it is freezing council tax? It is the first time that that has happened in Tamworth in a generation. Does that not demonstrate that Conservative councils offer value-for-money services?

Madam Deputy Speaker: Order. I have only just said to the House that there should be short questions. That does not mean three short questions or four short questions. The Secretary of State will answer one of those questions.

Mr Pickles: In the interests of brevity, I congratulate Tamworth. That is the kind of Tamworth declaration that I would expect.

Hazel Blears (Salford and Eccles) (Lab): The Secretary of State says that he is being generous in putting £30 million of his departmental budget into local government. For a big man, that is pretty small beer. Does he accept the truth that the abolition of area-based grant means that the poorest places, especially in the north, will be worse off? In Salford, £3 million of area-based grant goes into tackling crime and disorder.

Mr Pickles: For Salford, the reduction in spending power will be 8.5% next year and 3.9% the following year. There is a misunderstanding from the right hon. Lady, although I do not mean that disrespectfully. The way to protect the poorest is to put money into the block grant, because that is the most distributive grant. That point is like the argument about the level of capitalisation. The more money that goes into the block grant, the more that vulnerable communities are protected.

Justin Tomlinson (North Swindon) (Con): I support powers to veto excessive council tax rates, especially for those on fixed incomes. That will be welcomed in my constituency, where under the former Labour-controlled council, council tax rates rocketed by 42% in just three years. To protect residents, what levels can we expect for future capping rates?

Mr Pickles: Of course, I hope that it will not be necessary to cap any authority this year. I rather hope that they will all accept the council tax freeze. The beauty of the measure is that once we get through this year, there will be no more capping. A reasonable level will be suggested, and after that, local people can decide. If local authorities make a reasonable case for an increase, so be it. The measure will act as a break against excessive council tax rises.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): The Secretary of State expresses surprise that we are not rejoicing at the settlement that he has announced. After 13 years of Labour Government announcements that always contained year-on-year real terms increases in grants to local authorities, this year the Secretary of State is announcing a settlement in which every local authority in England—with the possible exception of Dorset, although that point was not entirely clear—will suffer a loss. Is that not an indication of what the Tory in government means?

Mr Pickles: The right hon. Gentleman would not have dreamed of the relative needs level of 83%. Frankly, somebody as distinguished as he should not be asking, "Why are there cuts? What's happening?" We are in debt. The country is in a parlous state. Our level of sovereign debt is the highest in Europe. Had his party won the election, there would be real cuts in real terms in local government right now.

Mrs Anne Main (St Albans) (Con): Under the previous Government, St Albans city and district council, like other councils, laboured under an enormously bureaucratic and interfering assessment regime, with its regulations and inspections. Will the localism policy and the cuts in red tape save local authorities money through not having to comply with expensive regulations?

Mr Pickles: My hon. Friend is absolutely correct. We have got rid of comprehensive area assessments and all the daft targets, which achieved absolutely nothing. The problem with them was that they cost serious money to put together. That money can now be applied to front-line services.

Mr George Howarth (Knowsley) (Lab): The Secretary of State will be aware that grant floors are important to boroughs such as Knowsley. Can he explain how his banded floors will operate, and will he indicate what percentage will apply in each of the four bands?

Mr Pickles: I am happy to do that. Let us deal first with social services authorities. In 2011-12, the floor will be 11.3% for the most dependent authorities, then 12.3%, 13.3% and 14.3% for the least dependent. In the case of shire districts, the floor will be 13.8% for the most dependent, then 14.8%, 15.8% and 16.8%, so there is a good 3% difference between the various bands. Of course, for an authority such as Knowsley there will be a transitional grant on top of that to get the levels down to 8.9%.

Dr John Pugh (Southport) (LD): Will the Secretary of State clarify whether the new formula more adequately addresses the needs of authorities such as Sefton that have a disproportionate number of elderly residents?

Mr Pickles: Authorities with elderly residents, of course, will be some of the relatively big gainers because of the provision of adult social care. We want to put extra money into authorities with social services departments, and thanks to my right hon. Friend the Secretary of State for Health, we are looking at putting in serious money to deal with adult social care. I can recall standing at the Opposition Dispatch Box and asking for precisely the action that we have delivered today.

Stephen Timms (East Ham) (Lab): Given what the Secretary of State has said about fairness, why is it that from looking through the list of London borough grant changes, we see that the biggest losses in absolute and percentage terms are in the local authority areas where the level of disadvantage is the greatest?

Mr Pickles: I wish to make it absolutely clear that obviously, authorities that are more dependent on the grant will feel the effects of any reduction. We have moved the relative needs figure to 83%, and introduced the banded floors and the transitional grant, to protect those authorities. Had we not taken those decisions, and had we applied the system that the Labour party did, the effects on those communities would indeed have been great.

James Morris (Halesowen and Rowley Regis) (Con): I welcome the Secretary of State's announcement today. Is it not the case that across the country, there are lots of examples of local authorities working in partnership to reduce costs, sometimes across political divides? Will he outline how he can encourage local authorities along the line of more collaborative behaviour?

Mr Pickles: I am pleased to report that a number of authorities have gone some considerable way to find savings that can be made. We have already talked about Coventry, and Hammersmith and Fulham, Kensington and Chelsea and Westminster have started to join together to improve things. Birmingham has managed to save £130 million by outsourcing and Suffolk £40 million by divesting services. In the west midlands, asset rationalisation has achieved a £640 million saving. There is a very long list, which I shall not read out, but it is immensely important that authorities recognise that they can protect front-line services by shifting resources from the centre to the most vulnerable.

Andrew Gwynne (Denton and Reddish) (Lab): No matter what the Secretary of State says, the fact is that Tameside council is preparing for massive spending reductions over the next four years. Given that he has said that the changes are fair and sustainable, how does he square that situation for a borough ranked the 56th most deprived local authority area in England?

Mr Pickles: Tameside is enjoying considerable protection because of the three steps that I have announced, which I will not repeat. There are additional ways in which Tameside could improve its financial position, including through the regional development fund and such like. In fact, I have just been told that Tameside has a reduction in spending of 6.2%, which hardly figures with what the hon. Gentleman has just said, so I shall look forward to finding a nice thank you note from him on the board tonight.

Andrew Griffiths (Burton) (Con): May I congratulate the Secretary of State on protecting adult social care and on listening to local councils about front-end loading? May I also commend to him the work of East Staffordshire borough council, which, by cutting expensive senior management, is protecting front-line jobs and services? Does he agree that average reductions of just 4.4% will mean that no council should be cutting front-line services?

Mr Pickles: I am grateful to my hon. Friend. This move goes hand in hand with increased transparency, because, by the end of January, every local authority will have to produce online all expenditure of more than £500 for close scrutiny by the electorate. If authorities are not cutting senior management but are instead taking out front-line services, it will not be me to whom they will be accountable but their electorate. I believe that this settlement will ensure that the trend towards a reduction in the centre and the protection of front-line services will be accelerated.

Liz Kendall (Leicester West) (Lab): Will the Secretary of State tell the House how much money councils will be getting from the NHS to spend not on social care but on public health?

Mr Pickles: There are two funds, which add up to just a smidgen over £2 billion. The co-operation of the Department of Health, and the move in which local authorities with social services departments will now have an opportunity to influence the local health scene, represent a considerable change of which Joseph Chamberlain would have been proud. This will put local authorities in their rightful place of being able to co-ordinate a vital part of public health provision.

Julian Smith (Skipton and Ripon) (Con): May I ask the Secretary of State how he has dealt with the mess that he inherited from the previous Government around concessionary bus travel, which is so important for communities in North Yorkshire?

Mr Pickles: It has been a most dreadful experience, with the moves from the districts to the counties. One of the principal problems has been that a number of district authorities put in more money than the Government were actually giving them. At some point, some of that money was passported across to the counties, so that the districts registered a loss. I have tried to help by adopting a broad-brush approach of putting additional money into districts that are faced with a big loss in their spending power, but this is only a provisional assessment, and I will be listening carefully to what local authorities have to say on this issue.

Michael Dugher (Barnsley East) (Lab): Does the Secretary of State think that Mr David Shakespeare should remain as leader of the Conservative group on the Local Government Association after his offensive remark last week, which has been reported in today's newspapers, that constituents from poorer parts of the north—including areas such as my own—should

"replace the Romanians in the cherry orchards"?

Mr Pickles: I was not aware of Councillor Shakespeare's remarks until the hon. Gentleman mentioned them. I will be seeing him first thing on Wednesday morning, and I shall ask him precisely what he meant by that.

Richard Graham (Gloucester) (Con): I welcome the Secretary of State's commitment to review business rates revenue. May I encourage him by saying that giving much of the business rates revenue back to local councils would reward proactive councils such as Gloucester city council, which sets out to attract inward investment, which is a great source of new jobs?

Mr Pickles: I am very aware of my hon. Friend's constituency. I have visited it and know how proactive the council is in trying to bring in business. That is the secret: we need a system that rewards enterprise and initiative. Sadly, the current system tends to stifle both.

Richard Burden (Birmingham, Northfield) (Lab): The Secretary of State will know that, in the early part of the year, before the general election, Birmingham city council was already facing a major overspend. It claimed that it was not getting enough money from the then Labour Government, whereas one or two others said that the overspend was due to the council's mismanagement. Now that the right hon. Gentleman proposes to cut even more money from Birmingham city council, which does he think it was? Will he give the cash figure for the reductions in Birmingham? How does his statement relate to the forthcoming 20% cut in police numbers that his hon. Friends in the Home Office also propose for the west midlands?

Mr Pickles: I am delighted to tell the hon. Gentleman that Birmingham faces a cut in its spending of 8.3%, and 4.3% for next year. I am also pleased to tell him that Birmingham has managed, through outsourcing, to reduce the gross level by £135 million, which is attractive. The hon. Gentleman represents a party that got us into the mess in the first place.

Mr Ronnie Campbell (Blyth Valley) (Lab): It was the banks.

Mr Pickles: The hon. Gentleman says, "Oh it's the banks". Big Government, with unsustained borrowing, got us into the mess. Labour Members must take their fair share of guilt and blame for that.

David Rutley (Macclesfield) (Con): In Macclesfield, we are fortunate to have the wonderful Bollington leisure centre, which is run by the community for the community. Does my right hon. Friend agree that that success story clearly shows what local communities will be able to do under the powers of the Localism Bill?

Mr Pickles: My hon. Friend clearly shows what localism can do, and the Localism Bill will ensure that more communities can do that. He will have noticed the scoffing on the Labour Benches about ordinary people banding together to protect a community facility. We have to emphasise that it does not have to be owned by the state to be used by the community. My hon. Friend clearly demonstrates the future; Labour Members demonstrate the past.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Earlier this year, Liverpool, the most deprived local authority, sustained the largest cut to its area-based grant of any core city. Will the Secretary of State now please answer the question asked by my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), and tell us how much he is cutting in cash terms from Liverpool's budget?

Mr Pickles: One of the reasons why the hon. Lady's constituents and the fine city of Liverpool face a problem is the working neighbourhoods fund, which the Labour party cut. It took that money away. We had to find a way to pay for that, which is why Liverpool will be restricted to a loss of 8.7% and 7.1%. In addition, on the tour to which I referred earlier, we ensured that the money for decent homes, which the previous Government abandoned, was provided for Liverpool. Liverpool is in a much stronger position now than it was when the Labour Government were in power.

Paul Uppal (Wolverhampton South West) (Con): While I welcome today's statement, particularly the measures that go towards tax incremental finance, will my right

[Paul Uppal]

hon. Friend consider making them developer led, rather than local authority led? When the measures were trailblazed in the United States a couple of decades ago, most American cities and states found that regeneration was much more effective when they were developer rather than local authority led.

Mr Pickles: Obviously, as part of my job, I have met a number of developers. Those who have reasonably full books as far as housing is concerned are the ones who have got alongside a local community. Those developers are seen not as an occupying army bulldozing over the green belt, as was the case under the previous Labour Government. They work alongside local communities, clearly demonstrating the benefits that development can bring to a neighbourhood. I think that that is the future—developers, local government and local communities working in co-operation—and that is what the Localism Bill will deliver.

Mr Ronnie Campbell: I met the chief executive of my local authority, Northumberland county council, last week. He tells me that he must save £100 million in the next two or three years. I hazard to say that that puts Northumberland county council in a right pickle. Is it not true that all that is happening is that services are being slashed and cut, people are being put on the dole, and the volunteers, if the Secretary of State can get them, must come in to replace them?

Mr Pickles: I have good news for the hon. Gentleman in terms of the loss of spending power, which is just 5.6% this year and 3.2% next year. As he is so cosy with his chief executive, he should ask him to take a pay cut to reduce central funding and the central office, to start sharing with other authorities, and instead of cutting the front line, to start cutting the feather-bedding.

Anne Marie Morris (Newton Abbot) (Con): I am delighted that rurality and the age of the population will be taken into account, but may I have some reassurance that Devon will not find itself, as now, right at the bottom of the spending league tables for schools, with children having roughly £400 per head less spent on them because of the cost of transport, among other things?

Mr Pickles: My hon. Friend should be pleased to know that Devon faces a cut of 1.8% in its spending. One reason for that, as in other local authorities, is that social services are offered a degree of protection depending on the number of elderly people who have chosen to live there. However, some of the districts have to rely on the full amount in terms of the guarantee of no more than 8.9%.

Derek Twigg (Halton) (Lab): The Secretary of State lost his train of thought this morning on the "Today" programme, which we can well understand given his disgraceful statement to the House this afternoon, but may I ask him a specific question? In the banding annex of the local government finance report, Dorset is in band 4, but he said that it will receive a slight increase in funding, or at least no cut. Will Halton, which is in band 1—the most deprived band—receive an increase in funding? It cannot be fair for somewhere in band 4 to get a better settlement than somewhere in band 1.

Mr Pickles: The hon. Gentleman would be better to can the abuse and read the plain English guide to the settlement, which I commend to him because it demonstrates that what he just said is nonsense.

Charlie Elphicke (Dover) (Con): Does the Secretary of State share my sadness that such a tough local government settlement was necessitated because the previous Government shattered the public finances? Despite that, can he confirm that he has found £650 million to ensure that council tax is frozen next year in Dover and Deal and across England?

Mr Pickles: I am delighted to respond to my hon. Friend and to say that the council tax freeze will offer substantial protection to his constituents, who have worked hard and paid through the nose for council services over the years, seeing enormous increases under Labour. I am delighted that we can offer that additional money to freeze council tax.

Mr Dennis Skinner (Bolsover) (Lab): Is the Minister aware that Bolsover lost every single pit when the Tories were last in, and that every single textile factory was closed? It is in the bottom 50 of all constituencies in Britain in terms of deprivation, and there is something sinister in him deciding to cut Bolsover's grant by 20.3%. Why?

Mr Pickles: The hon. Gentleman is entirely wrong. Bolsover will receive the full protection of the 8.9% cap in terms of its total spending power. That is a substantial difference—*[Interruption.]* He chunters, but we have opted for a measure regarded as desirable by the Local Government Association and his Front-Bench team a week ago. He should not blame the method just because it has not delivered the kind of bloody stumps that Labour Members wanted.

Bob Blackman (Harrow East) (Con): Local authorities all over the country will welcome the £200 million set aside to transform back-office functions and cut bureaucracy, but they will be concerned about how they can access the money. Will my right hon. Friend confirm the £200-million figure and state how local authorities can access it, so that we can see those reductions in bureaucracy and the transformation of the system?

Mr Pickles: They will gain access in precisely the same way they have gained access this year and in previous years: they will bid for an amount. No authority has ever received 100% so the £200 million will be apportioned on a percentage basis. I look forward to receiving applications from authorities throughout the country.

Mr Denis MacShane (Rotherham) (Lab): The verdict on this policy will be delivered next May and in May 2012, and I fear that the Secretary of State has just written the Götterdämmerung of Conservative councillors over the next four or five years. In Rotherham, there are literally hundreds of voluntary organisations relying on just a small helping hand from local government of a few hundred or few thousand pounds—not big money. May I ask him to pay particular attention to that to ensure that the voluntary sector does not go under as a result of the settlement?

Mr Pickles: Given that the reduction in spending for Rotherham is just 5%, it should be in a strong position to continue funding those groups. At a time when funding by Government grant is being reduced by 26%—14% in terms of total resource—it is beholden on local authorities not to salami-slice, but to restructure in order to achieve the advantages of back-office mergers. If Rotherham, which is a fine authority, does that, I am sure that those small grants will be protected.

Dr Sarah Wollaston (Totnes) (Con): Towns such as Dartmouth and Kingsbridge in my constituency are resisting the imposition of high and unwanted on-street parking charges by the county council that they see as a back-door form of revenue raising. Would my right hon. Friend encourage them to organise a local referendum?

Mr Pickles: It is always a bit of an inconvenience when the public make their position known—democracy is always a bit messy, but it is the best system we have. I cannot see any problem with local authorities facilitating such a referendum. The county council could also think about delegating that function to the local towns, so that they can organise these things. That is what happens in an awful lot of districts. My hon. Friend represents an attractive part of the world that many of us visit in slightly more clement times. However, car parking can be vital to a local economy so if she wants to start the referendum process, she has my full support.

Thomas Docherty (Dunfermline and West Fife) (Lab): Further to the question from the shadow Secretary of State, given that the Secretary of State has repeatedly referred to the Localism Bill, in the House and on the radio this morning, as a new constitutional settlement, will he confirm that all stages will be taken on the Floor of the House?

Mr Pickles: Madam Deputy Speaker, you have asked for brevity, so I am happy to say no. A longer answer is: not a chance.

Gavin Barwell (Croydon Central) (Con): May I warmly welcome my right hon. Friend's commitment to reforming the fundamentally flawed system that he has inherited? However, does he agree that in the interim, councils such as mine—which, unlike most local authorities, saw real-terms cuts under the previous Labour Government—will have a particularly hard time?

Mr Pickles: I do recognise that, and I apologise to my hon. Friend. I would not have wanted to start from this position; I would have wanted a fairer, more reasonable system. However, I recognise that when we start to move money around the country and change things round, we have to put in floors and ceilings. That would have been more disruptive to local government than what we are doing, which we are at least doing on the basis that we are all in this together and that we have managed to protect the most vulnerable authorities.

Tristram Hunt (Stoke-on-Trent Central) (Lab): I have in my hand a rather thin document entitled "The thinking that underpins the Localism Bill". It is full of big words such as "liberalism", "community politics" and "big society", some of which the Deputy Prime Minister thinks he understands, but is all this not just hot air unless we see a real end to rate capping, an offer of local tax-raising powers in communities and the return of the business rate, which the Tories removed?

Mr Pickles: Except for the abuse, it sounds as if the hon. Gentleman might be ready to defect across the Chamber—and we will, of course, be ready. I would hardly describe the bundle of documents that we have issued as insubstantial, and frankly, I would commend to him the plain English guide to the settlement. However, if he wants to make a representation to the Government about the reform of local government finance, he is most welcome to do so, because I will be absolutely frank: although he is no longer in his usual place, we are indebted to the right hon. Member for Greenwich and Woolwich (Mr Raynsford), on whose hard work we will be building, but who received scant thanks from the previous Government.

Jason McCartney (Colne Valley) (Con): My Colne Valley constituents, and in particular the Lingards community association, are excited about the Localism Bill, because it comes at a time when Labour-run Kirklees council is running a consultation costing tens of thousands of pounds—perhaps hundreds of thousands of pounds—in order to impose 28,000 new homes on our beautiful part of west Yorkshire. Will the Secretary of State join me in confirming that the Localism Bill will give powers to local people to decide where local houses will be built?

Madam Deputy Speaker (Dawn Primarolo): Order. We are not talking about the Localism Bill; we are talking about the settlement. As the hon. Gentleman did not ask about the settlement, we will move on.

Graham Jones (Hyndburn) (Lab): The Secretary of State said in his statement that there are "substantial incentives available for councils," and he mentioned the new homes bonus. May I ask him to ensure that demolitions will be netted off? I have 2,500 empty properties in my constituency, and if demolitions are included, there will be no new homes bonus for what is one of the most deprived constituencies. Another point that I want to touch on briefly—

Madam Deputy Speaker: Order. No, the hon. Gentleman will not raise another point. This has already gone on for a long time. I have been very patient, despite the fact that I have asked people for short questions and short answers.

Mr Pickles: We are talking about a regeneration fund, and we will indeed be offering part of the new homes bonus to get property that is empty after a period back into service.

Graham Jones *indicated dissent.*

Mr Pickles: The hon. Gentleman can shake his head, but we are responsible for the new homes bonus, so I tend to think that we probably know a little more about it than him, and he should be reasonably happy about that answer.

Emily Thornberry (Islington South and Finsbury) (Lab): Those responsible for providing adult social care who have heard the right hon. Gentleman predicting

[Emily Thornberry]

that the settlement will result in improved quality may think that he is telling a cruel joke. Is he confident that when ADASS—the Association of Directors of Adult Social Services—and the Local Government Association have studied the detail of the settlement, they will stop saying that there will be a shortfall in social care funding of billions of pounds?

Mr Pickles: I have to say that, not so long ago, I was at the Opposition Dispatch Box asking for this kind of money. We are talking about the only substantial increase in social care that this House has seen for a very long time. Frankly, mocking it is ridiculous. What the settlement will also do is increase co-operation and co-ordination between the health service and social services. That is something that we can all unite behind. There are many reasons—I suppose—to attack the settlement, but that is certainly not one of them.

Cancun Climate Change Conference

5.29 pm

The Secretary of State for Energy and Climate Change (Chris Huhne): I wish to make a statement on the outcome of the United Nations climate conference in Cancun. The House will remember the disappointment of last year's conference in Copenhagen, particularly its failure to agree a comprehensive and legally binding global treaty to supplement or replace the Kyoto protocol. Expectations for the Cancun conference were not high. After Copenhagen, it seemed as if the very principle of multilateralism was on trial. Our objectives, therefore, were modest. We aimed to demonstrate that the UN process was back on track. We also hoped to put in place some of the building blocks for an eventual global agreement and to rebuild momentum.

I am delighted to say that our expectations were not just met, but exceeded. The conference agreed a series of linked decisions under both its tracks: the Kyoto protocol and the framework for reaching a new and more comprehensive agreement. Emissions reduction pledges made under the Copenhagen accord by developed and developing countries provided a valuable starting point and have been brought into the UN climate convention framework. We can now assess the overall policy pledges against the requirements of the science.

These decisions provide a solid foundation for further work. For the first time, there is an international commitment to

"deep cuts in global greenhouse gas emissions"

to hold the increase in global average temperature below 2° C. This includes processes for adopting targets for peaking emissions as soon as possible and substantially reducing them by 2050.

The conference also adopted decisions to develop systems for measuring, reporting and verifying emission reductions and actions in line with countries' commitments. This is essential to confidence in each other's actions. Developing countries will get access to low-carbon technology and help with adaptation to climate change. Market-based mechanisms will be considered to deliver effective reductions in emissions at least cost.

Forestry was a key area. The conference agreed the framework for REDD plus—reducing emissions from deforestation and forest degradation—through which developing countries will be paid for keeping trees standing rather than logging them. The conference also made progress on rules for accounting for land use, land use change and forestry under the Kyoto protocol—an issue that was too difficult to be settled last year or at Kyoto and it has remained problematic ever since Kyoto.

The conference also agreed the establishment of a green climate fund to support policies and activities in developing countries. The fund will be governed by a board with equal representation from developed and developing countries, and its finances will be managed in the first instance by the World Bank. A transitional committee will be established to design the institutions and operations of the fund, and we aim to see that make rapid progress. The conference also endorsed the commitment made by developed countries at Copenhagen to mobilise at least $100 billion a year by 2020 to address the needs of developing countries.

The conference did not settle the future of the Kyoto protocol, nor did it adopt a new and more comprehensive treaty incorporating all countries. Neither outcome was realistically possible this year. Nevertheless, the agreements reached at Cancun represent a very significant step forward, particularly given that it seemed possible, even as late as last Thursday, that the conference would break up over precisely that issue. In the end, every country represented there, with the exception of Bolivia, felt able to support the outcomes.

There remains much to do in the run-up to the 2011 climate conference in Durban. Given the outcome of Cancun, however, we can be far more confident than seemed possible just a few weeks ago. I am sure that the House will join me in congratulating the Government of Mexico, who were responsible for hosting and chairing the conference. The diplomatic skill, political courage and dogged determination of Foreign Minister Patricia Espinosa and her team was responsible in very large part for its success. I was happy to be able to support her in co-chairing some of the negotiating groups that addressed the key issues.

I also wish to pay tribute to the British team of negotiators. Even though our delegation was one of the smallest of those of the G8 countries, its members played a key role in many of the detailed negotiating groups, often leading for the EU. The climate diplomacy carried out by the Foreign and Commonwealth Office in the year leading up to the conference clearly helped to lay the groundwork for a successful conclusion.

Tackling climate change should transcend party politics. Britain has built a strong reputation internationally as a forward-looking country, and I thank my predecessor for his work in helping to achieve that. I was also pleased to be able to include in the UK delegation representatives of the Scottish Parliament and the Welsh Assembly Government; it was the first time that that had happened.

The coalition Government are determined to tackle the accelerating threat of climate change. We intend to demonstrate how a successful and prosperous low-carbon economy can be developed in the United Kingdom and the European Union, providing employment, exports and energy security and reducing emissions. The Energy Bill published last week and the consultation paper on electricity reform to be published later this week are key components of that, as is the adoption of a more ambitious target for reducing EU carbon emissions, and in that context I welcome the Spanish Government's recent declaration of support for a 30% reduction in EU emissions by 2020. We are pressing for an ambitious package of measures to be agreed by EU leaders in February next year to create the infrastructure and incentives for a faster move to a low-carbon economy within Europe.

On the international front, we will build on the momentum achieved in Cancun. There is much still to be achieved, but we can now look forward with renewed optimism to the Durban conference next year. As the representative of one non-governmental organisation said,

"Cancun may have saved the process but it did not yet save the climate".

That is true, but in saving the process it represents a triumph for the spirit of international co-operation in tackling an international threat, and I am sure that the whole House will join me in welcoming that.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I thank the Secretary of State for his statement, and for early sight of it.

International progress on climate change is of the utmost importance to us all. I am pleased that the Secretary of State has been able to attend the House in person today, so that we have a chance to question the Government on progress. We must acknowledge that the agreements made in Cancun are an important step in the right direction, and, on behalf of the Opposition, I join the right hon. Gentleman in congratulating the Mexican Government on creating an environment in which the nations of the world could agree a common statement. The statement of intent that has come out of Cancun builds on provisions made by my right hon. Friend the Member for Doncaster North (Edward Miliband) in Copenhagen last year, and we all hope that it will pave the way for more ambitious aims in South Africa next year.

We welcome the establishment of a climate fund to help developing nations and commitments to take action on deforestation. We also welcome the acknowledgement of the gap between the promised emission cuts and the cuts that the science tell us are necessary. Does the Secretary of State believe that holding to an increase of below 2° is enough, given that scientists now say that an increase of between 2° and 4° is more likely?

We have a long way to go, and, as the Secretary of State said, it is essential that the Government take a lead internationally. The right hon. Gentleman has already suggested that the European emission reduction target should be 30% by 2020, and he recently issued a statement with Germany and France pressing for such a reduction in carbon dioxide emissions. Last week, the Committee on Climate Change reported in support of that aim. We are delighted that Spain is now on board. Will the Secretary of State tell us whether that is the extent of European Union support? He talks of pressing for measures in the EU, but will he say what practical steps he and the Government are taking in Europe? It might be said that the Government whom he represents are not of one mind when it comes to European relations, and we and the country need to know which point of view dominates the agenda. Will there really be progress by February?

The Secretary of State was involved in discussions and conversations on Kyoto. Is he able to give the House a better sense of how those negotiations went, although they were not an outright success?

The climate fund to assist developing nations is a welcome step, but we need assurances that funds will be in place. I welcome the Secretary of State's aim to see rapid progress on the part of the transitional committee. Can he give us a timetable for that progress? We have agreements, but we need to make sure that actions are taken or else the agreements will not be a foundation for change. Will the Secretary of State also give us further details on how finance will be secured, because the developing countries need this life-saving finance and they and their citizens cannot wait?

Finally, we need to see leadership from Britain and Europe over the next 12 months, before countries meet again in South Africa. The Government must demonstrate leadership at home—here in the UK—and in Europe. We need the Government to commit to low-carbon growth and to show they can deliver before the opportunity

[Meg Hillier]

has passed. Although we have had welcome announcements from the Government about implementing the green deal for householders, we do not know whether it will include a carbon reduction target. The right hon. Gentleman has also announced that he will go ahead with the green investment bank, but we do not know whether there will be enough money for it to do its job.

We lack detail, therefore, yet we hear from businesses of the need for certainty, and households in fuel poverty need support and certainty too. We need flesh on the bones, and we need action between now and the next conference in South Africa.

Chris Huhne: I thank the hon. Lady for her remarks, and I am delighted that there is, I think, a broad measure of political support from all three main parties in the House—and also from the nationalist parties, although none of their representatives is in the Chamber.

The hon. Lady was absolutely right to mention the continuing gap between what the science tells us is necessary to reduce carbon emissions and the pledges that were made in the Copenhagen accord and that are now incorporated in the United Nations framework convention on climate change process. The gap will be assessed as part of the work that will be set in train as a result of the agreements in Cancun, and the UN environment programme report was a useful first step in pointing that out.

I make no bones about the fact that we argued for, and would have liked, a clear commitment to a peaking of global emissions by 2020. The reality is that time is running out, and we need to be as precise as possible. We were not successful in achieving that clear and specific target, but we did have a clear commitment on peaking global emissions as early as possible and, obviously, we will move as quickly as we can towards achieving certainty.

Yes, it was welcome that Spain joined us. We have been working quite hard on the 30% commitment, including through some meetings in Cancun. The Minister with responsibility for climate change, my hon. Friend the Member for Bexhill and Battle (Gregory Barker), had meetings with the incoming presidency, and I had meetings with the Spanish Minister and other colleagues. Apart from Spain, France and Germany, we also now have a commitment from Denmark, and I am confident we will shortly have a commitment from Sweden as well, with all of them broadly in the same place. We must recognise that there are difficulties, especially for some of the economies still in transition, particularly Poland, which rely very much on lignite and hard coal, and we can try to deal with that. The process is under way and it will be important to address that in the new year.

The negotiations on legal form were always going to be exceptionally difficult, and we knew we could not reach an outcome. For the UK, the key negotiating strategy was to make sure that we embodied in the agreement at Cancun a substantial amount of substance that we can then show at Durban next year. Hopefully, that will provide a real incentive to the progressive countries that want to do a deal and to some of the more reluctant countries, by showing that there is enough on the table to make them be a little more flexible than they have been thus far on, for example, whether there is a commitment in the Kyoto protocol or whether it is in the convention track—and, indeed, whether there is a legal commitment in the convention track, which I very much hope, so that we can, effectively, have two parallel sides.

The hon. Lady asked about the finance. Fast-start finance is under way, and I am very pleased to be able to say that the Government have already disbursed the fast-start commitments we made for this financial year, and they have also been identified for the next financial year. Therefore, that money, which was agreed at Copenhagen, is being paid out. On the broader objective of $100 billion a year, we had an agreement to take note of the work that the advisory group on finance had done. That means that a lot of the work—for example, on bunker fuels and the potential for raising finance from aviation—can be taken into account and will go forward to Durban. I am cautiously optimistic that this advance will be crucial in getting the developing countries to sign up next year. This agreement, by the way, is the first time ever we have had an agreement by the developing countries to reduce their emissions compared with business as usual. That is quite a step forward, although it would obviously be nice to make it legally binding.

I can assure the hon. Lady that there is no division in the Government on leadership in Europe. I know she is sceptical, but we have worked very closely with all parts of Government, particularly the Foreign and Commonwealth Office, which has done an outstanding job. The team in Mexico City and the FCO more widely have done an outstanding job in helping us to prepare for these talks. It is an agreed part of our strategy as a Government that we recognise that our power as a nation to achieve our national objectives in the area of climate change is immeasurably greater the greater the extent to which we work through our European partners and manage to get them on board. That has been a key part of our approach to this issue.

Martin Horwood (Cheltenham) (LD): May I echo my right hon. Friend's words about Patricia Espinosa, the chair of the summit, and indeed echo her words to me in Cancun, which commended my right hon. Friend personally for the positive role that he played? May I ask him to elaborate a little further on the issue that he was asked to tackle by her, namely the risk that in 2012 we may still see the planet unprotected by any continuing international agreement?

Chris Huhne: We would obviously like, as my hon. Friend knows, to have a legally binding global agreement. That is our objective and I know that it is shared by those on both sides of the House. It is also shared by our European partners. We must not underestimate, however, the fact that although the convention track is not yet legally binding and does not have a commitment to a legal outcome—although a process was set up at Cancun whereby the convention track can discuss options for a legal outcome—the political commitment that it represents of incorporating the Copenhagen accord pledges within the UN framework and of having an agreement about the monitoring, reporting and verification of those pledges on the Kyoto side and international consultations, analysis and separate wording on the convention side is a significant step forward. We can

have a lot of trust, and so can businesses, in the fact that that will underpin many of the investments that are being made.

Let me add one other point that gives me cautious optimism. Some of the countries that have been regarded as difficult and sceptical about making international commitments were much better as regards our objectives at Cancun. I hesitate to single out any one in particular, but it is striking that China is making commitments through its latest five-year plan that, were they incorporated into an international agreement, would reach a long way towards where we would like China to be. The Indian Government—in particular, I pay tribute to Minister Ramesh—played an outstanding role in ensuring that we could get a verification system that will stand the test of time.

This is a very significant agreement. We do not have a legally binding agreement yet. We would like that, but the political commitment and the substance of many of the decisions that have been taken are substantial.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I would be grateful if the Secretary of State gave slightly shorter answers from now on. We have other important business and I am trying to ensure that every Member gets to put their one brief question to him.

Barry Gardiner (Brent North) (Lab): I recognise and welcome the Secretary of State's and the Government's commitment in this area, but given that the $100 billion a year by 2020 was announced last year and the money did not come and given that the $30 billion a year fast-start funding was announced last year and did not come, why should any developing nation believe that Mexico will be different and not only that the money will come but that it will be new money that will be evenly balanced, as it was supposed to be, between mitigation and adaptation?

Chris Huhne: The fast-start finance is being paid. *[Interruption.]* No, actually, a very substantial amount is coming through. If one looks at our European partners and the Dutch Government's website, which lists all the commitments that have already been made, including those outside Europe where countries have been stepping up to the plate, one sees there is a substantial measure of commitment. Things are not perfect and we are not all the way there but there is real money going through, and that can underpin real action early on to help developing countries in their efforts.

On the $100 billion, there is much more flesh on the bones than there was a year ago. We have the report of the advisory group on climate change financing, which has done a lot of good technical work, and it has been taken note of here. We will make progress through the rest of the year.

Neil Carmichael (Stroud) (Con): Obviously, we all welcome the progress that was made at Cancun and it is extremely good news that we are talking about processes being re-established. How does the Secretary of State think that China and India could be encouraged to co-operate more fully with the targets on carbon dioxide reduction?

Chris Huhne: I have already mentioned the very positive efforts that Minister Ramesh and the Indian Government have made, as well as the way in which China is incorporating real targets into its domestic legislation, including ensuring that more than a fifth of the Chinese population is covered by low-carbon pilot areas. China is now in a serious, leading position in a number of low-carbon technologies. It is the world's largest producer of solar photovoltaics and I have had expressions of interest from Chinese firms about investing in the UK in offshore wind manufacturing facilities. Frankly, there is an enormous and very impressive level of commitment within China to serious investment in low-carbon products. I believe that will come forward in terms of an international commitment for the simple reason that those businesses need certainty about the international framework in exactly the same way as our businesses do, so we will get that change—indeed, we are getting it—in the Chinese Government's position.

Joan Walley (Stoke-on-Trent North) (Lab): Given the importance of achieving some progress, however small, at Cancun, does the Secretary of State think that UN procedures are fit for purpose? In terms of the improvements that are needed, what role can Parliament take, given that the previous Government's Climate Change Act 2008 gives us an opportunity to take a leading role across the planet?

Chris Huhne: I am very grateful for the hon. Lady's question—I say that with some feeling—because she has hit the nail on the head. The agreements that we reached at Cancun were, in my view, reached despite the process and procedures rather than because of them. Frankly, I have never been involved in any international or national set of procedures with so little in the way of standing orders and rules of procedure designed to guide the participants towards a result. As a member of the National Union of Journalists, I think that any union chapel would despair at the lack of procedures and the lack of ability to push things through. Reform of the UN is above my pay grade, but having participated in this process I strongly hope we can move on and get to a better process, because this is a serious issue that needs it.

Andrew George (St Ives) (LD): I warmly congratulate my right hon. Friend. What proportion of the funds going into the green climate fund and of the $100 billion by 2020 in funding for developing countries will be sourced from existing budgets that are currently available to the Department for International Development?

Chris Huhne: I can answer for the UK Government, but not for others. Some £2.9 billion will be drawn from the UK's aid budget and that figure will rise to 0.7% of gross national income by 2013, so it will be additional to existing spending. We are also maintaining the previous Government's commitment that the £2.9 billion will continue to account for less than 10% of overseas development assistance in every year of the spending period.

Graham Stringer (Blackley and Broughton) (Lab): The Secretary of State has spoken very grandly about his aspirations and what he wants from the UN and for the globe. On a much more mundane level, if he gets all

[Graham Stringer]

his aspirations on carbon targets and renewables, how much extra will my constituents have to pay in their energy bills in each of the next 10 years?

Chris Huhne: Every year, in the annual energy statement, we set out the impact on consumers. The last time we made that calculation, in the annual energy statement in the summer, we calculated that, assuming an oil price of $80 a barrel, which is rather less than the current price, the total increase in household bills, taking into account our other policy measures, including energy saving, would be 1%. The higher oil and gas prices are, the greater the savings. The break-even point comes at $100 a barrel, beyond which our consumers will gain from the move to a low-carbon economy and away from the fossil-fuel economy.

Duncan Hames (Chippenham) (LD): I congratulate my right hon. Friend on seeing the negotiations through to the very end last week; it was certainly worth it. Now that the green climate fund has been agreed, how does he intend to broker international consensus on which of the options for climate finance may be taken forward to fill it?

Chris Huhne: This is going to be a pretty difficult issue—we know that from the proceedings in the advisory group on climate change financing. There are a lot of options on the table, the technical work has largely been done and we have to hope that we can make further progress over the next year. Now that we have identified a clear political will to find that finance, we have to hope that the technical means to provide it will be there, but the technical options on bunker fuels, aviation and so on are set out in the group's report.

Mr William Bain (Glasgow North East) (Lab): I particularly welcome the progress on the REDD agreement that the Secretary of State has announced, especially given that deforestation accounts for up to a fifth of all annual global CO_2 emissions. Will he be in a position, by the Durban summit, to update the House on the sources of funding for the programme, particularly on the contribution that will be made by businesses and Governments in the UK and the EU?

Chris Huhne: I hope that we can update the hon. Gentleman even before then because there was a commitment in Cancun to use fast-start finance to get this going. Sadly, I can answer only for the UK Government and not for the 192 or so other Governments who were represented at Cancun. However, I very much hope, and will keep my fingers crossed, that we will make even more progress on this.

Joan Ruddock (Lewisham, Deptford) (Lab): I congratulate the Secretary of State on the role that he and his team played at Cancun and on continuing the Labour party's policies in that respect. Does he agree that individual European countries could afford to take a second Kyoto commitment period and that the EU could raise its emissions reduction target to 30% at very little extra cost given that, in the light of the recession, emissions have dropped?

Chris Huhne: I entirely agree with the right hon. Lady and I have repeatedly made exactly that point to my European Union colleagues. That argument is making real progress—for example, Spain is the latest country to commit to the 30% target—so we are gradually getting there, but there are problems for some member states. Rome was not built in a day, and neither was the European Union.

BILL PRESENTED

Localism Bill

Presentation and First Reading (Standing Order No. 57)

Mr Secretary Pickles presented a Bill to make provision about the functions and procedures of local and certain other authorities; to make provision about the functions of the Local Commission for Administration in England; to enable the recovery of financial sanctions imposed by the Court of Justice of the European Union on the United Kingdom from local and public authorities; to make provision about local government finance; to make provision about town and country planning, the Community Infrastructure Levy and the authorisation of nationally significant infrastructure projects; to make provision about social and other housing; to make provision about regeneration in London; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 126) with explanatory notes (Bill 126-EN)

Police Reform and Social Responsibility Bill

Second Reading.

Madam Deputy Speaker (Dawn Primarolo): Before I call the Home Secretary, I inform the House that Mr Speaker has selected the amendment in the name of the Leader of the Opposition.

5.59 pm

The Secretary of State for the Home Department (Mrs Theresa May): I beg to move, That the Bill be now read a Second time.

"From the very start of British policing, Sir Robert Peel's key principle that the

"police are the public and the public are the police"

has set the standard across the world.

I am sure the whole House will join me in praising the bravery, courage and professionalism of our police officers and staff, who do their dangerous job usually unarmed. As we saw again last week, police officers up and down the country put their lives on the line every day. Neighbourhood police officers and police community support officers deal with antisocial behaviour, catch and deter criminals and reassure the public. The Government appreciate and value all their efforts.

But it is a sad fact that despite these efforts, crime is still too high, too many communities still live in fear, and too many people still do not believe, rightly or wrongly, that the criminal justice system is on their side. Our reforms to policing will make the service even better at fighting crime, more responsive to the needs of their local communities and much more efficient.

We will not just talk about being tough on crime and its causes. Instead, we will free police officers up to be tough on crime by slashing the bureaucracy and targets that have kept them from the streets, and by giving them back the discretion to do what they believe is right. We will shift power directly into the hands of the public as they elect police and crime commissioners to lead the fight against crime and disorder in their areas.

At national and international level, we will support the police in dealing with crime that crosses police force and international borders, so we will use subsequent legislation to introduce a powerful new operational body, the national crime agency, to take the fight against serious and organised crime to the next level and to enhance the security of our borders.

Britain remains a high crime country. In England and Wales alone, the police are recording more than 1,000 incidents of grievous bodily harm or actual bodily harm every day and more than 4 million total crimes a year. That is unacceptable. We have one of the most expensive criminal justice systems in the world, but only half the public trust that it will protect them from criminals. We are now faced with the added challenge of cutting crime at the same time as we deal with the record budget deficit.

To those who say that we should slow the pace of reform because of the need to make budget cuts, I say that the economic situation makes reform more important, not less. We need to do more to cut crime, reduce bureaucracy, increase accountability and drive value for money precisely because we are reducing budgets.

The current policing governance arrangements are simply not working. Police authorities have become remote from the public—only 7% of people have even heard of them, and only 8% of local authority wards in England and Wales are represented on their police authority. They are not effective at doing what they are supposed to do. Fewer than one in three police authorities inspected last year were found to be performing well overall, and fewer than one in five performed well in setting strategic direction and value for money, despite the fact that these are their two main functions. They have neither the democratic mandate to set police priorities, nor the capability to scrutinise police performance.

We need a new approach, one that takes power from the bureaucrats and puts it back in the hands of the people and the professionals. So the deal for the police is greater public accountability through police and crime commissioners and, in exchange, more freedom to do their jobs, less Government interference and much less bureaucracy. We have already begun slashing Labour's bureaucracy. By scrapping the stop-and-account form and cutting the items recorded during a stop and search, we will save 800,000 hours of police time every year, and that is just the start.

Keith Vaz (Leicester East) (Lab): Will the right hon. Lady join me in commending the work of Jan Berry, who was appointed by the previous Government but completed her report under the present Government, and her recommendations to reduce police bureaucracy? Will the right hon. Lady give the House an undertaking that that work will continue, and that Jan Berry or someone like her will continue to monitor the reduction in the bureaucracy that is hampering the police in doing their job?

Mrs May: I am happy to take up the point made by the right hon. Gentleman. Jan Berry did a very good job in looking at police bureaucracy. Obviously, she had considerable experience which enabled her to do that. I can reassure the right hon. Gentleman that the work will continue. We are already taking forward further work in a number of ways to examine the bureaucracy surrounding policing so that we can take further steps to reduce the amount of bureaucracy that the police have to deal with.

With a strong democratic mandate from the ballot box, police and crime commissioners will hold their chief constable to account for cutting crime. They will have the power to appoint and dismiss chief constables if they do not believe they are performing effectively. If the public do not believe that their police and crime commissioner is performing effectively, the commissioner will face the ultimate sanction of rejection at that same ballot box. Importantly, police and crime commissioners will set the annual budget for their force and will determine the local precept—the local contribution to policing costs.

Police authorities are not properly accountable for how public money is used, so they do not drive value for money in their forces. The democratic mandate of police and crime commissioners will put them in a much stronger position to drive the efficiencies and value for money needed to ensure that resources are focused on the front line.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): The right hon. Lady mentions a number of functions and areas of accountability. Does she agree that whoever is responsible for the police must ultimately be judged by success in reducing crime, which is the single most important objective that the police have to deliver?

Mrs May: I am very pleased to hear the right hon. Gentleman echoing the very words that I have used to the Association of Chief Police Officers conference and other conferences when I have been speaking about the key aim of the police, which is indeed to cut crime.

Chris Bryant (Rhondda) (Lab): I shall not echo what the Home Secretary has been saying. One of my big anxieties is that she talks about accountability in relation to the commissioners, but each of the forces in our land is a rather curious geographical unit. For instance, in the South Wales police, the demands of Swansea and of Cardiff will be completely and utterly different from the demands of valleys communities such as those in the Rhondda. It will be extremely hard for one person to reflect that better than a body of people who come together from the different communities.

Mrs May: If the hon. Gentleman will bear with me, I will shortly deal with part of the point that he makes.

Earlier today, we announced police force funding allocations. These ensure equal treatment across all forces, as each force will receive the same percentage reduction to its core Government funding. At the same time, we are giving the police service greater freedom than ever before over how to use its resources. With this new budgetary freedom, police and crime commissioners will be able to make real decisions about funding local priorities.

Concerns have been expressed about placing this degree of power in the hands of one person. The hon. Member for Rhondda (Chris Bryant) made the point about an individual representing, in some cases, a large area with competing and different requirements within it. The Bill will ensure that there are appropriate checks and balances on those powers.

At the core of our proposals is the establishment of new police and crime panels. These will ensure that there is a robust support and challenge role at force level, and that the decisions of the police and crime commissioners are tested on behalf of the public on a regular basis.

Hazel Blears (Salford and Eccles) (Lab): I share the concerns of my hon. Friend the Member for Rhondda (Chris Bryant) about the ability of a single individual to be visible and accountable in an area such as Greater Manchester, with 2.5 million people. Is it not the case that the police and crime panels which the right hon. Lady proposes are remarkably similar to the police authorities, which have been criticised time and again for lack of visibility and lack of accountability?

Mrs May: No. I shall come on to describe some of the powers of the police and crime panels. That democratically elected individual is essential, restores a link between the police and the public, and makes sure that at those elections the public are able to have their say about what their police and crime commissioner is doing in terms of the responsibilities of the police. To those who raise the issue of representation of the full area, which is the point made by the hon. Member for Rhondda, I repeat the figure that I gave earlier in my speech: only 8% of local authority wards are currently represented on the police authorities, so the police authorities are not providing representation on the same basis as some of those who call for their continuation would argue.

Hazel Blears *rose—*

Mrs May: I see that the right hon. Lady is eager to jump up again. I will take this intervention, then I will make progress.

Hazel Blears: I am very grateful to the Home Secretary, because those issues have obviously tested many Home Secretaries over the past few years. Has the right hon. Lady given any consideration to electing those local representatives, who would then be visible, accountable and have a local mandate?

Mrs May: Yes. Indeed, the right hon. Lady's own Government looked at the possibility of electing police authorities and rejected it, but we are sure about what we are doing through the police and crime commissioners and the police and crime panels. The panels will comprise locally elected councillors and some independent and lay members, who will be able to veto a commissioner's proposed precept by a three-quarters majority and veto any candidate a commissioner proposes for chief constable by the same majority. The public will also be given opportunities to scrutinise the performance of their police and crime commissioners directly, through enhanced local crime information, including street-level crime maps.

Charlie Elphicke (Dover) (Con): On accountability, is it not the case that London has an elected Mayor, covering 6 million people? That person is highly visible, highly accountable and, even, highly popular. There are executive mayors throughout the country, including in Lewisham and in east London, who are highly visible and accountable, too, so surely the argument about accountability is a bogus one.

Mrs May: I am very grateful to my hon. Friend, who is exactly right: this is not an untried method of dealing with police accountability. The Mayor of London is indeed the equivalent of a police and crime commissioner. Earlier, from a sedentary position, the hon. Member for Vale of Clwyd (Chris Ruane) said that the Mayor of London was "too visible", but politicians should be out there, visible and able to take on—

Chris Ruane (Vale of Clwyd) (Lab): He's too blond!

Mrs May: I am not going to be tempted down the route of saying that he is too blond. *[Interruption.]* You can never be too blond.

Mr David Hanson (Delyn) (Lab) *rose—*

Mrs May: I want to make some progress, but I see that a former Policing Minister wishes to intervene, so I will take his intervention.

Mr Hanson: Will the Home Secretary clarify one point? Under current legislation, it is illegal for a police officer to be a member of the British National party or of other extremist groups, but will she clarify whether these elected individuals, at local council level or at commissioner level, will be able to be members of such political parties? Will that be compatible with managing police officers, who cannot?

Mrs May: I am about to come on to exactly that point. The right hon. Gentleman asks whether it is appropriate for such individuals to belong to a political party of which a police officer cannot be a member, but one could argue that the same position already exists: Home Secretaries are elected under political banners. I actually trust the people of this country on elections.

I shall return to that point, because police and crime commissioners will give the public a real voice in policing. They will ensure that what the public care about is taken seriously, and that local people's priorities are the priorities of the police. I thank ACPO for its constructive engagement in the reform process, and the Association of Police Authorities will have an important role to play until police and crime commissioners are introduced. We will continue working with the APA until that point. We have consulted widely with the public and with key partners, such as the APA and ACPO, through the consultation document "Policing in the 21st century: reconnecting police and the people", which was published earlier this year, and in other consultation with them. We have listened to their views and amended our proposals accordingly.

Ed Balls (Morley and Outwood) (Lab/Co-op): On consultation with the Association of Police Authorities, there is a letter in *The Guardian* today—*[Interruption.]* It is signed by the Conservative, Liberal Democrat and Labour leaders on the APA, and it says:

"There is no evidence that PCCs"—

police and crime commissioners—

"will improve the service the public receive, and every reason to reject this proposal."

Why has the Home Secretary failed to persuade Conservatives on the APA that her proposals are good proposals?

Mrs May: Comments about turkeys and Christmas might be appropriate at this point, and I suggest that the right hon. Gentleman think about that.

Ed Balls: Is the right hon. Lady really calling Mr Rob Garnham, the highly respected chair of a police authority, a turkey? Should she not withdraw that remark?

Mrs May: The right hon. Gentleman—*[Interruption.]* His hon. Friend the Member for Vale of Clwyd can even do the turkey noises for him.

Let me explain my earlier comment. It is very straightforward. We have had discussions with the APA about the future of police and crime commissioners, and it is no surprise that police authority members are not as convinced as we are about setting up PCCs, because when they are set up, police authorities will be abolished. That was my point, but I am sure that the right hon. Gentleman will give us the benefit of his views.

Ed Balls: Turkeys voting for Christmas? May I quote Sir Hugh Orde, of the Association of Chief Police Officers, who said:

"Every professional bone in my body tells me it is a bad idea that could drive a coach and horses through the current model of accountability for no added value but plenty of confusion"?

Is the Home Secretary calling the head of ACPO a turkey as well?

Mrs May: No, I am not. Had the right hon. Gentleman been listening, he would have heard me say already how grateful we are for our constructive engagement with ACPO. We have listened to its comments on the introduction of police and crime commissioners and amended our proposals accordingly.

To return to the point about democracy, first, I see no reason not to trust the British public. We trust the public and we trust democracy, so I see no reason to constrain democracy by vetting or by excluding candidates we might think are extremist. The British public have shown over the years that they are perfectly capable of stopping extremists where they should be stopped—at the ballot box.

Secondly, although the whole point of our reforms is to improve the local accountability of the police, that in no way means that cross-boundary challenges such as organised crime, terrorism or other national policing issues will be neglected. Police and crime commissioners will be supported by a new strategic policing requirement to help them to hold their force to account for all its policing, and they will have a duty to collaborate with other police forces and other agencies, including the new national crime agency, on issues that cut across force boundaries. I am clear that the structures that we are putting in place must address national policing issues as well as local ones. Commissioners will also be required to work with other forces to simplify the arrangements for procurement and back-office functions in order to improve efficiency and achieve better value for money.

Thirdly, let me reassure the House that the introduction of police and crime commissioners will in no way affect the operational independence of the police. Commissioners will not manage police forces.

Mark Tami (Alyn and Deeside) (Lab): Will the right hon. Lady give way?

Mrs May: No, I am going to make some progress.

Commissioners will not manage police forces, and they will not be permitted to interfere in the day-to-day work of police officers. The Bill sets out for chief constables and for police and crime commissioners clearly defined roles that, in the words of the director of the Institute for Public Policy Research, are

"actually a pretty good definition of operational independence".

I should also like to point out for the benefit of Opposition Front Benchers that we have included provisions to prevent police and crime commissioners from appointing political advisers from public funds. All appointments will need to be made on merit, and all posts must be politically neutral.

Vernon Coaker (Gedling) (Lab): Will the Home Secretary clarify that point? My right hon. Friend the Member for Morley and Outwood (Ed Balls) quite rightly raised the issue of political advisers for police and crime commissioners, but the Policing and Criminal Justice Minister says that the posts will be politically restricted. Although "politically restricted" means not being active politically, it does not mean that these political advisers cannot be a member of a political party. Will the Home Secretary therefore confirm that political advisers to police and crime commissioners can be members of a political party?

Mrs May: Our intention is absolutely clear: the police and crime commissioners will not be able to appoint from public funds political appointees who are political advisers. We do not think that that is appropriate for them, and that is absolutely clear in what we are doing.

Vernon Coaker: I apologise to the Home Secretary for intervening again, but this is an extremely important point. When the Minister for Policing and Criminal Justice explained the meaning of the term "politically restricted," he said:

"You may not, for instance, be a member of a political party."

It is not correct to say that someone cannot be a member of a political party when they are in a politically restricted post. Will the Home Secretary confirm that?

Mrs May: I am happy to confirm—this is at the heart of the matter, and I know that Opposition Front Benchers have been trying make something of the issue—that we are very clear that police and crime commissioners should not be able to appoint political advisers from public funds. I do not believe that that would be right. That is the intention behind what we are doing and this Bill.

Ed Balls: It is very important to be clear when we make statements in the House. It is not the case that Opposition Front Benchers have been trying to make something of the issue. At a meeting of the APA, the Policing and Criminal Justice Minister said that the first decision he would make if he were elected a police and crime commissioner would be to appoint a political adviser. Did he say that? Can the Home Secretary confirm that? If he did say it, can she tell him he was wrong to say it and that it is not in fact true?

Mrs May: I have just checked with my right hon. Friend and he is absolutely clear that he did not say that. I say to the right hon. Gentleman, who seems to think that the issue has suddenly arisen in the last minute, that the document that summarises the consultation responses to "Policing in the 21st century" states clearly on page 13, at paragraph 2.12:

"Whilst the PCC will be able to appoint staff to advise and assist them, all staff must be appointed on merit and will be politically restricted posts."

[Interruption.] Hon. Members should wait. It goes on to state:

"Party political office holders and active party members will not be able to be appointed to the PCC's staff."

Our intention is absolutely clear.

The running costs and day-to-day expenditure of police and crime commissioners will not be any greater than that of police authorities.

Mark Tami: Will the Home Secretary give way?

Mrs May: I am going to make some progress; I have been very generous in giving way to Opposition Front Benchers.

The running costs and day-to-day expenditure of police and crime commissioners' will be less than 1% of the total costs of policing. What will be different is the value that the public get for that money. Police and crime commissioners will need to demonstrate value for money to local people or they will simply not be re-elected. The only additional cost of police and crime commissioners will be the costs involved in running the elections because, as we know, democracy costs money. That cost will be £50 million over four years, compared with the £50 billion that will be spent on policing in the same period.

Chris Bryant: Will the Home Secretary give way?

Mrs Madeleine Moon (Bridgend) (Lab) *rose*—

Mrs May: No, I shall make some progress. Let me make this point clear: the money will not come from funds that would otherwise have gone to policing. In the spending review, the Treasury provided funds specifically for these elections because it knows, as I do, that this money will help to cut crime. In contrast, I ask hon. Members to remember that we currently spend £120 million of public money every day on paying the interest alone on the debt that the previous Labour Government racked up.

Our proposals to introduce police and crime commissioners will reconnect the police with the public they serve, and will ensure that the police focus on what local people want, not on what national politicians think they want. Our proposals will help to cut crime and will deliver the efficient, effective and responsive police service that we all want.

As well as giving power back to communities in terms of policing, the Bill will give power over licensing decisions back to local communities. Five years ago, when Labour introduced 24-hour drinking, they promised us a European-style café culture. I was the shadow Secretary of State for Culture, Media and Sport at the time, and I told the House that Labour was being reckless in pressing ahead with longer licensing hours without first dealing with the problems of binge drinking. Sadly, Labour's Licensing Act 2003 has proved to be the disaster that many predicted. The police continue to fight a battle against alcohol-fuelled crime and disorder, and the taxpayer continues to pick up the bill of more than £8 billion per year. Last year, there were more than 1 million alcohol-related hospital admissions. That cannot go on.

Over the summer, we consulted on plans to overhaul the Licensing Act to give local communities greater power to tackle the problems associated with alcohol. We received more than 1,000 responses, which we have taken into account. The Bill will give all those affected by licensed premises the chance to have a say in the licensing process. It will allow early morning restriction orders to be extended to between midnight and 6 am

and it will give licensing authorities the power to take swift action to tackle problem premises by refusing licence applications or applying for a licence review, without having to wait for a relevant representation from a responsible authority. The Bill will also lower the evidential hurdle for licensing authorities, so that it is easier for them to refuse or revoke licences from irresponsible retailers. In addition, the Bill will double the maximum fine for under-age sales to £20,000.

Keith Vaz: I warmly welcome what the Home Secretary has said today, which is in keeping with the recommendations of the Home Affairs Select Committee in the previous Parliament. Why did the Government not go that one step further and enshrine minimum pricing in legislation?

Mrs May: May I pay tribute to the Home Affairs Committee's work on the issue? I shall finish talking about what is in the Bill and will then comment on the issue raised by the right hon. Gentleman, which is not covered in the Bill.

We shall allow local councils to charge a late-night levy on licensed premises that open after midnight to help to pay for late-night policing and other services, such as taxi marshals or street wardens. On the issue raised by the right hon. Gentleman, which is not included in the Bill, the Government remain committed to banning the below-cost sale of alcohol and we will bring forward proposals on that shortly.

Right hon. and hon. Members will not need me to tell them of the growing concern about the availability, use and potential harm of so-called legal highs. We supported the previous Government in the action they took to ban mephedrone, and we have taken legislative action against a similar but even more potent drug: naphyrone. The existing arrangements for bringing a drug under control using the Misuse of Drugs Act 1971 remains our preferred approach. However, it simply takes too long to respond effectively to these new and fast-evolving substances. In the meantime, their availability in the UK goes unchecked and we run the risk that they will gain a foothold—as mephedrone did—and that they will cause damage on our streets and harm to our young people. The power in the Bill to make year-long temporary class drug orders—temporary banning orders—will strike the right balance between swift action and expert advice. The offences in the Bill are rightly targeted at suppliers and traffickers, and carry significant penalties.

On a different issue, I am sure that right hon. and hon. Members from all parties would agree that for too long the historic Parliament square has been subjected to unacceptable levels of disruption and abuse caused by long-term encampments occupying the site. The actions of a small minority have also prevented others from enjoying an important public space. The Serious Organised Crime and Police Act 2005 tried to deal with the disruption on the square by targeting protest as a whole, but it went too far and missed the point. The continuing occupation of the square and last week's violence, on which I updated the House earlier, have shown that those measures have not worked. The Bill will restore the right to peaceful protest around Parliament by repealing the relevant sections of the 2005 Act.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I confess that I was responsible for the original clause in what became the 2005 Act. I would like to apologise for that, because we did not quite get it right. However, it is not the drafting of the legislation that matters but whether people are prepared to implement it. The Home Secretary will certainly have my support if she can manage to get the police and the local authority to work together to do something, rather than simply talking about it.

Mrs May: I am grateful for the right hon. Gentleman's point. I think it is fair to say that the whole of Parliament thought that previous attempts to deal with the matter had succeeded and that people were disappointed when we discovered that that was not the case. I can confirm that the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who deals with crime prevention, has been working very closely on the matter with the Metropolitan police, the Greater London authority, Westminster city council and, indeed, with the House authorities where relevant. Those parties are willing to work together to ensure that we keep Parliament square clear of encampments. The Bill does not deal with the problem of permanent encampments by restricting protests across the board; it bans the use of tents, other equipment and the unauthorised use of loudhailers in Parliament square.

Michael Ellis (Northampton North) (Con): The Bill must go through the relevant parliamentary procedures and will probably not receive Royal Assent until the end of July. Is my right hon. Friend conscious of the fact that the royal wedding is in April and that there will be pressure to remove the encampment before that auspicious occasion?

Mrs May: I am grateful to my hon. Friend for raising that issue. The Prime Minister made it clear at Prime Minister's questions, and I have made it clear separately, that we need to ensure that we can clear Parliament square for the royal wedding on 29 April.

The Bill addresses another important area of law that is not currently working—the whole issue of how we apply universal jurisdiction, which is a key principle of international justice that enables some of the gravest offences to be prosecuted here, regardless of the state in which the offences were committed.

Mr David Winnick (Walsall North) (Lab): Does the Home Secretary accept that there are already adequate safeguards in this respect? It is not a question of someone simply going to the magistrates court alleging that a war criminal is on British soil. There is a feeling—she obviously does not share it—that this law is being changed as a result of the pressure that Israel put on the previous Government and is clearly putting on this Government. It does seem unfortunate that we are going to change the law because a foreign country has put such pressure on us.

Mrs May: We are not changing the law because a foreign country has put pressure on us. In relation to this law, the evidential requirement that is needed in order for somebody to go and get an arrest warrant is significantly less than that required for a successful prosecution. We are saying that the Director of Public

[Mrs May]

Prosecutions should be able to look at any such application that is made and give consent to it or otherwise.

Charlie Elphicke: The measures on universal jurisdiction are one of the more important aspects of the Bill, because what we have seen before has made Britain a laughing stock as a place of fishing and trawling for international justice in matters that are better dealt with elsewhere.

Mrs May: I thank my hon. Friend for making that point. It is certainly clear that the current process for applying for an arrest warrant has deterred some public figures from overseas from coming to the UK. The Bill will make the process fairer and safer by requiring the consent of the Director of Public Prosecutions before a warrant can be issued.

Ann Clwyd (Cynon Valley) (Lab) *rose*

Richard Burden (Birmingham, Northfield) (Lab) *rose*

Mr Andy Slaughter (Hammersmith) (Lab) *rose*

Mr Andrew Love (Edmonton) (Lab/Co-op) *rose*

Mrs May: I am about to come to the end of my speech, but I will give way to the right hon. Member for Cynon Valley (Ann Clwyd).

Ann Clwyd: I am grateful to the Home Secretary. May I ask her what test the DPP will be expected to apply before an arrest warrant is granted under this new proposal that the district judge currently does not apply? What is the difference between them?

Mrs May: The key issue that the DPP will look at is the basis for the request for the arrest warrant and the extent to which there is a genuine basis for bringing it forward. He will look at the prospects for a successful prosecution and balance that issue in the view that he takes. At the moment, the threshold requirement is significantly less than would normally be required in bringing a successful prosecution.

Mr Slaughter *rose*

Mrs May: I will not take any more interventions because I am about to finish my speech. I am sure that the hon. Gentleman will be able to make a contribution later in the debate. I am very conscious that lots of Back Benchers wish to get in.

Mr Slaughter: Just to clarify this point?

Mrs May: As I said, I am about to finish my speech.

The Bill is focused on cutting crime and putting power back where it belongs—in the hands of local people. Directly elected and directly accountable police and crime commissioners will bring reform to the police, ensuring that they cut crime, focus on local priorities and drive up performance. The problems of 24-hour drinking will be tackled by giving our communities greater powers over licensing decisions, and the emerging problems of legal highs will be dealt with through temporary banning orders.

At the international level, our relationships with our overseas partners will be strengthened by the introduction of the key safeguard in the application process for universal jurisdiction arrest warrants. At home, our democracy will be strengthened by the restoration of the right to peaceful protest outside Parliament, at the same time as we take targeted action to deal with the long-term encampments and loudhailers which cause so much disruption and distress.

This Bill is necessary, it is proportionate, and it is right. I commend it to the House.

6.34 pm

Ed Balls (Morley and Outwood) (Lab/Co-op): I beg to move,

That this House declines to give a Second Reading to the Police Reform and Social Responsibility Bill because it introduces an expensive set of reforms which will do nothing to bring the police closer to the communities they serve; because it risks a single elected politician remote from the frontline overruling operational policing decisions, thus ending one hundred and seventy years of tradition of police independence from politicians; because it gives insufficient attention to the risks of police force collaboration being undermined by the creation of individually elected police commissioners; and because the Government has indicated that it will implement this expensive and disruptive reform in the same year as the Government is making the biggest annual cut to police funding as set out in the Spending Review.

Protecting the public and giving people confidence that they can live free from the fear of crime and antisocial behaviour is the first duty of Government. On the front line in the fight against crime are our police and police community support officers, who do a difficult, sometimes dangerous job with great professionalism. We should start by congratulating our police, who, in record numbers, under Conservative and Labour Governments since 1994, have delivered a 50% fall in crime. We congratulate them on that achievement. We will support the Government, where we can, to ensure that our police have the resources and the powers that they need to do the job.

It is right, too, as the Home Secretary said, that the police must be close to the local communities they serve and be responsive to the views of local communities in order to be accountable to the taxpayer. I pay tribute to the reforms made in recent years by Labour Home Secretaries who have introduced neighbourhood policing, which has ensured that the police are embedded in our communities. That is an achievement of which Labour Members can be very proud.

However, we will argue in Committee that there is more that we can do to deepen that accountability at the force level and at the neighbourhood level to ensure that the police are properly and fully responsive to local communities. I have to say to the Home Secretary that the approach to police accountability that the coalition is pursuing in the Bill is absolutely not the answer to that challenge. Indeed, the judgment of the Association of Police Authorities, which said that elected police commissioners are the wrong reform at the wrong time, is looking more prescient by the day.

Andrew Bridgen (North West Leicestershire) (Con): Will the right hon. Gentleman cast his mind back to the cuckoo months of the previous Prime Minister's Administration, when the then Home Secretary, the former Member for Redditch, considered the idea of

elected chiefs of police and then discarded it, not because of politicisation or fears about cost, but because of lobbying from Labour councillors who did not want to lose their lucrative positions on police authorities?

Ed Balls: I merely draw the hon. Gentleman's attention to the excellent House of Commons research report on the Bill, which makes it absolutely clear, in terms, that the then Home Secretary rejected that proposal because it would lead to the politicisation of our police, which is exactly why we are opposing these measures.

Look at the storm that is now gathering around the Home Secretary. Over the past few days, we have seen the events in Sweden—*[Interruption.]* Hon. Gentlemen mock the events that are happening. We are seeing a rising terrorist threat. We saw the events of last Thursday and the statement that we had to have this afternoon about disorder on our streets. We have the Olympics coming up the year after next, with the Home Secretary now proposing to force through a 20% cut in the Olympic policing budget.

Mrs May: The right hon. Gentleman raised the Olympic security budget in his response to my statement earlier. I refer him, yet again, to today's written ministerial statement on police funding allocations, which says that we have protected the £600 million expenditure on Olympic security. In fact, we think that what is needed can be done more cheaply than that, but we are protecting the £600 million. Will he now withdraw his accusations?

Ed Balls: I will do no such thing, and I will tell the House exactly why. We are consistently told by the Home Secretary that she has protected the counter-terrorism budget. What she means by "protected" is that it is cut by only 10%, unlike the police budget, which is cut by 20%. That is what the protection is all about.

Steve McCabe (Birmingham, Selly Oak) (Lab): I note that the Policing Minister's letter says that he hopes to make savings and not to use the £600 million. Today's *Birmingham Mail* points out that despite an earlier promise that the Pope's visit would be subject to a special grant for security, that grant was never provided, and west midlands police have virtually exhausted their contingency for special events. If that happens around the country, how can the Government possibly hope to make savings on the Olympics?

Ed Balls: I do not know the answer to that. When I spoke to my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell), the shadow Olympics Minister, about it this afternoon, she said that she was assured that any reduction in the £600 million budget would be briefed on in advance with the details of the savings, but she has had no such briefing. It looks to me as though the commitment to keep £600 million in principle was rushed in at the weekend.

The reality of the position is that the Home Secretary is seeking to achieve a 20% cut which will further stretch Policing around our country at a time when the largest cut in our police budgets in peacetime history over the past 100 years has just been announced. In the west midlands and Greater Manchester, 2,500 officers are already set to lose their jobs, not to be appointed, or to be removed through regulation A19 powers, with equivalent numbers among PCSOs and other public staff. Other forces around the country will be considering today's announcement of 20% real-terms cuts. The health budget was broadly flat, although falling slightly; the schools budget was broadly flat, although falling slightly; and the defence budget was cut by 8%. People around the country are asking where the Home Secretary was and how come the police budget was cut by 20%.

Mark Tami: My right hon. Friend is talking about massive cuts across the piece. Does he agree that the £50 million that the Government are prepared to spend on electing police commissioners could be put towards front-line officers?

Ed Balls: As my hon. Friend knows, the Association of Police Authorities estimates that 600 officers' jobs could be saved with the money that will be spent on the unnecessary election of police commissioners. We hear nothing from the Liberal Democrats, who all stood on a manifesto commitment of 3,000 more police officers, not 20,000 officers being cut.

Mark Tami: I am reliably informed that I was wrong. The figure is not £50 million, but £136 million, despite what the Home Secretary said.

Ed Balls: I am happy to accept my hon. Friend's clarification on that point.

The context for this legislation includes the largest cuts to policing that we have seen, police officers losing their jobs through A19 powers and a freeze on recruitment across the country, at a time when the security threat is rising. The Home Secretary and the business managers have chosen the day on which the cuts have been announced to ask for support for the risky experiment in police accountability that is elected police commissioners. The coalition has no mandate and no evidence base for that reform. It has not done a proper consultation and it has failed to win the active support of either the police or the public.

Matthew Hancock (West Suffolk) (Con): Before the election, when the then Home Secretary was asked whether he could promise that police numbers would not be cut under Labour, he replied "No." Is not that and this nonsense about the Olympics budget why nobody is listening to the right hon. Gentleman as shadow Home Secretary?

Ed Balls: No. I know that the hon. Gentleman knows about Treasury matters, but he ought to read his brief a little more carefully before making such interventions, which reveal his lack of knowledge on our position.

Matthew Hancock *rose*

Ed Balls: I will answer the hon. Gentleman's previous erroneous intervention before I give him a second go to see whether he can do better. Her Majesty's inspectorate of constabulary, an independent body, said that it was possible to make reductions of 12% in the central Government grant over four years, without cutting front-line policing, as we heard last week. The Government are pushing through savings not of 12% but of 20%, and they are doing so not over four years but by front-loading them, so that the biggest cuts are in the first two years.

[Ed Balls]

As police authorities say, it is impossible to make such cuts without cutting front-line policing capability. If what we proposed was being done, cuts to front-line police numbers—indeed, cuts to all police numbers—would be avoided. Under the coalition, there will be cuts to front-line policing. No Government Members were elected on such a manifesto, and they will be held to account in the coming months and years. I happily give way to the hon. Gentleman so that he can have a second go.

Matthew Hancock: I do not mind being held to account for sorting out the nation's finances. The right hon. Gentleman should answer the question. He said that my intervention were erroneous. When the previous Home Secretary was asked whether he could guarantee to protect police budgets from being cut, did he not say, "No"?

Ed Balls: The hon. Gentleman knows the answer to his own question. He can wave his arms around in a histrionic way, but the reality is that the previous Home Secretary said that he could not guarantee the individual decision of every chief constable of the 43 forces. However, he said that on the basis of a 12% reduction over four years, there would be no need for any reduction in police numbers. Under the coalition, the Police Federation estimates that 20,000 officers will be cut. We know that 1,100 officers will be cut in Birmingham and that 1,400 will be cut in Greater Manchester. The difference is that under our proposals there would have been no cuts to police numbers, and under the coalition proposals there will be cuts in every constituency and in every police force in the country. Those cuts will be made worse by the additional expenditure on the ridiculous and flawed proposals before us.

Michael Ellis: Am I correct to say that the shadow Home Secretary admitted that £1 billion of police budget cuts had to be made? If so, where would he make those cuts?

Ed Balls: If, rather than framing his intervention, the hon. Gentleman had listened to the previous one, he would have known the answer to his question and would not have had to bother asking it. HMIC said that a 12% reduction in the central Government grant over four years was deliverable without cuts to front-line policing. That advice has not been taken by the Government: they have gone not for 12% but for 20%, and it will be front-loaded on the first two years. The coalition policy will mean not 3,000 more police officers, but visible, front-line police officer cuts in police forces up and down the country. That is not the manifesto on which Government Members were elected, and they will be held to account.

Chris Bryant: Will the cuts not be more savage in particular areas? In police forces such as South Wales, the work that absolutely must be done, such as policing major sporting events, looking after the Welsh Assembly and the continuation of anti-terrorism work, will not be cut, meaning that the neighbourhood policing that happens in ordinary people's streets will end up being cut?

Ed Balls: I hope that that will not be the case. The chief constable of West Yorkshire police has said the opposite to me. His priority will be to protect neighbourhood policing, if possible.

That point brings me to a smear that has been propagated regularly by those on the Government Front Bench. On the basis of the HMIC report, they claim—in my view erroneously—that only 11% of policing has been visible at any one time and that the other 89% has somehow been wasted on bureaucracy and form-filling. The fact is that 50% of that 89% comprises the policing of organised crime and domestic violence, criminal investigation departments, and work on drug and alcohol policies. Perhaps such policing is not done in neighbourhood teams, but it is vital nevertheless. It is discounted by those on the Government Front Bench as waste and bureaucracy. Frankly, that is an outrageous slur.

The Minister for Policing and Criminal Justice (Nick Herbert): The right hon. Gentleman has admitted that he would have cut police funding by £1 billion a year, which is the HMIC proposal, and that under his proposals, there would have been no cut in police numbers. Will he explain how he would achieve £1 billion of savings?

Ed Balls: I fear that we may be wasting time by going over the same point, but I will explain it again. HMIC said that a cut of more than 12% in central Government funding would lead to a cut in visible, front-line police numbers. The coalition is cutting central Government funding not by 12% but by 20%. As the previous Home Secretary made clear, on the basis of the HMIC report, savings could be made in procurement and through collaboration—precisely the sort of cross-force collaboration that will be undermined by elected police commissioners. It is possible to do that without cuts to front-line policing. It is the Minister's 20% cuts that will lead to a reduction in police numbers, as is accepted universally by police officers across the country.

Mr Hanson: I hope to help my right hon. Friend. As he knows, I was the Minister with responsibility for policing in the previous Government. The £1 billion that we sought to save was made up of £500 million to £600 million from overtime and shift patterns, several hundred million pounds from police procurement of things such as helicopters and uniforms, and savings through back-office staff mergers. All those savings could have been made without cutting front-line policing. The HMIC report shows that the additional £1 billion that is being taken out by the Government will damage front-line policing.

Ed Balls: My right hon. Friend is making the point that the previous Home Secretary would have fought his corner for the police and Home Office budgets. In the spending review, the Home Secretary did not exactly lead the police chiefs up Downing street, as the Secretary of State for Defence did with the defence chiefs. We heard nothing—not a squeak. The Home Secretary calls what we ended up with a fair settlement, but it is a deeply unfair settlement, compared with that for schools, health and defence, that hits the police disproportionately with spending cuts. Police chiefs around the country ask me, "Where was the Home Secretary?"

Charlie Elphicke: I have been listening to the right hon. Gentleman for the past 10 minutes, and I have yet to hear a credible alternative plan. All we have is another blank sheet of paper.

Ed Balls: What the hon. Gentleman will not hear from us is support for a reform that a former Met commissioner has today said is

"without any intellectual underpinning or historical understanding".

It will weaken police accountability by making it more personalised and less representative of local communities, and it will overturn a 170-year tradition of independence in policing by empowering one elected individual to direct police priorities, fire chief constables and hire political advisers to do his bidding. It will make cross-force collaboration harder, not easier, and it will divert millions of pounds—the equivalent of 600 police officers—from the front line to new elections. It is a flawed reform that will waste millions and do nothing to reduce crime, so we are very sceptical about giving the Bill a Second Reading.

Mrs Moon: South Wales police currently have a police authority that contains cross-party representation from the leaders of a number of local authorities as well as people who are independently selected. How can it be said that there is greater democratic accountability when one person is directly elected than when there is cross-party representation from across the whole police authority area?

Ed Balls: I do not know, and that is one of the flaws in the Bill that we will need to investigate in Committee. As I understand it, that problem was why the Liberal Democrats did not support the policy. They rejected it in their policy documents in the past two years, stating that

"police authorities must be representative of the whole community, including women and ethnic minorities, which is why we reject...plans for elected sheriffs."

That was why they rejected the policy in the first place.

Paul Maynard (Blackpool North and Cleveleys) (Con): The right hon. Gentleman has described the current situation as "non-optimal". May I ask him what he means by that term and what his own plans for reform are, or is he doing just what his leader is doing and bringing nothing but a blank sheet of paper to the Chamber?

Ed Balls: As I said at the beginning, we will propose amendments in Committee to strengthen accountability at force and neighbourhood level, but in a way that is consistent with an approach to policing that respects political independence and ensures broad-based accountability across an area. Concentrating power in one individual will lead inevitably to political interference, and it will be impossible for one individual to represent, for example, the individual point of view of every town and community in West Yorkshire.

Charlie Elphicke: Will the right hon. Gentleman give way?

Ed Balls: Oh, go on.

Charlie Elphicke: I thank the right hon. Gentleman for his patience with me. In Kent, the police authority's idea of accountability seems to be to sue people who question it for libel, which I regard with serious concern. That should not be done with public money. The Library report to which he referred states that two thirds of the public said that they did not know who to go to if they had a complaint, and that 59% said that it was very difficult to have a say on how their area was policed. Surely an elected police commissioner would be more responsive.

Ed Balls: I do not know whether the Library report quotes the Conservative chair of the police authority in Kent, who, as I understand it, totally disagrees with the hon. Gentleman and says that the proposal is flawed and will not work. It will not be properly representative.

Bizarrely, the coalition came along and proposed the abolition of police authorities, but then realised that it was a flawed policy. It then decided to reinvent police authorities and give them a new name so that they would be called panels rather than authorities. The problem of representation needs to be solved, because it is serious.

Hazel Blears: Does my right hon. Friend agree that visibility and accountability have to be balanced with the integration of services, particularly with local authorities and other partners? Partnership working in policing has been shown to work over the past few years, and a single elected commissioner could well tear the system apart and lead to much less effective policing on the ground.

Ed Balls: I agree, and effective accountability really ought to happen in the main in the basic command unit. We need to ensure that the police are accountable to their community, but that they can demand support from the local authority, the health service and the other agencies that are vital to tackling the causes of drug crime and wider youth crime. All that will be ripped up under the Government's proposals, and we will end up instead with one elected person for a massive area, who will be able to visit each ward perhaps once every other year. That is not local accountability at all.

Mr Aidan Burley (Cannock Chase) (Con): The right hon. Gentleman has just said that a single elected individual could rip apart the policing in an area. Is that what he would say to Bill Bratton, who was the single elected individual who increased the detection of crime in New York and Los Angeles?

Ed Balls: The shadow policing Minister, my hon. Friend the Member for Gedling (Vernon Coaker), read out to me earlier the views of Bill Bratton on the Conservative proposals and the risky and reckless way in which they are drawing conclusions from the American experience. Bill Bratton said:

"What I would suggest is create your own experience; don't try to learn from us—seriously."

He went on to explain exactly why the American policing model does not translate into a British context, and why it is dangerous to draw such a conclusion.

Alun Michael: I am interested that my right hon. Friend has read the evidence given by Mr Bratton, who went on to say that telling all 43 police authorities that they had to be managed in the same way was an experiment. He contrasted that with the plethora of different ways in which things are done in the States, including the variety of experiences that he had had himself.

Ed Balls: He did say that, and I am glad to receive my right hon. Friend's praise for reading the evidence given to the Home Affairs Committee. I do so on behalf of the shadow Policing Minister, who read it in even greater detail.

The question of new panels points to another flaw in the Bill. There is one area in which the Home Secretary has agreed that the panels actually will have power, and it is the one in which we would think an elected police commissioner ought to have legitimacy—the setting of the precept. Rather bizarrely, on abolishing police authorities and establishing the panels, the one power that the Home Secretary gives the panels is to veto any proposal for a rise in the precept by the elected police commissioner. The commissioner will not have the power to set the precept without veto from the panel, and apparently will not be involved in operational policing, so it is not clear what they will be able to do. They will be even less powerful than the police authorities are at the moment.

I will not go into detail on the issue of political advisers, because we have done to death the mistake of the Minister for Policing and Criminal Justice in saying to *The Guardian* that staff of the policing and crime commissioners will not be able to be members of political parties. It is absolutely clear that he is wrong about that and that they will be so able.

The Home Affairs Committee report is very instructive on the matter of operational responsibility. The problem is that one individual will be elected solely on a policing mandate and will stand alongside a chief constable. That makes the definition of operational responsibility very important. As I asked the Home Secretary earlier, what will happen if a commissioner is elected on a mandate of, for example, abolishing speed cameras or introducing water cannon—if the Home Secretary allows that—and the chief constable says, "No, in my judgment that is not required operationally"? Who will decide? I am afraid that the lack of clarity on that issue raises the spectre of politicisation in certain circumstances. That will need to be discussed in Committee, because the Home Affairs Committee was right to say that without a proper definition, a memorandum and a way of getting the situation clear, there is an inevitable risk of politicisation, which is exactly the fear of police chiefs across the country.

The final point that we hear regularly is that London is somehow a model. Of course, in London the Mayor is elected not for policing but for a wider range of powers. He tried to get involved in the hiring and firing of commissioners, but decided that it was inappropriate because it risked politicisation, and had to stand aside for his non-elected deputy to take over responsibility for the matter backed by a police authority of elected members from the Greater London authority with proper powers. The Home Secretary invents reasons why the model that she proposes cannot apply to London, but the reason is that it has been tried there and did not work.

I want to address some of the wider issues in Bill. They cover only one third of the clauses, and our intention, where possible, will be to seek consensus on these proposals. The Bill contains a number of changes to the licensing regime and to powers for councils that build upon, rather than reversing, the licensing reforms of the past decade. If the Bill receives its Second Reading today, we will clearly need to examine the proposals in detail in Committee, but we will support extra powers to enable local communities and the police to keep public order to ensure that people can enjoy a night out in a safe and secure manner.

We will look into the proposals on drugs in detail, but at this point, we cautiously welcome the temporary banning orders that the Home Secretary is proposing. However, there is a suggestion, in the changes to the role of the advisory committee, of a move away from evidence-based policy making on drugs. That gives us some cause for concern, and we shall need to look closely at the matter in Committee. As we heard from the former Home Secretary, my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), the devil will be in the detail, as it was with the reform of the Serious Organised Crime and Police Act 2005. We will look closely at the detail of the proposals in Committee.

We will also probe the details of the clauses on universal jurisdiction in Committee. The Opposition believe strongly in the importance of universal jurisdiction, and we will support the proposed changes to make it work more effectively in each of the relevant areas. We will seek to achieve consensus in Committee, but, as I have said, these measures add up to less than one third of the clauses in the Bill, and as far as the policing issues are concerned, it has been very hard to be the shadow Secretary Of State.

Mark Reckless (Rochester and Strood) (Con): I should first declare that I am a member of the Kent police authority and that I support our abolition. I should also correct the right hon. Gentleman: our chair is not a Conservative. On the issue of operational independence, surely Ministers have made it very clear that there should be no interference by politicians on matters of individual investigation or arrest. Does he not agree, however, that it is quite proper for there to be democratic oversight of the broader issues of strategy and of the setting of budget priorities?

Ed Balls: I fully agree about the importance of that middle tier of political accountability for chief constables. What I and many other experts fear, however, is that if one individual is elected on a direct mandate for policing, it will be very hard indeed to prevent their supposed mandate from crossing operational dividing lines. That does not happen now, because each police authority—half of which comprises independents, the other half of which is indirectly elected—covers a number of areas and often comprises a number of political parties. They ensure that there is a collective sense that operational responsibilities are properly respected. I have no doubt that some elected police and crime commissioners will want to respect operational independence, but I have no doubt that individuals might be elected on a mandate that explicitly crosses that line. Unless that element of the Bill is sorted out quickly, we will end up with an expensive politicisation of policing in this country that will overturn 170 years of policing tradition.

I have looked carefully to find support for the Bill. I have already quoted Sir Hugh Orde and ACPO. I have also quoted the Association of Police Authorities. Police superintendents take the same view, as do Liberty and the Local Government Association. I have spoken on this matter at two conferences where I have urged anyone in the room who supports the proposals to identify themselves to me privately afterwards, because

no one will dare admit to it publicly. As a member of a responsible Opposition, I want to know the arguments, yet nobody will come forward. It is very hard indeed to find anyone who supports this policy.

As a result of assiduous research by our shadow team, however, I have identified three organisations that support the proposal. The first is a think-tank called Policy Exchange. Yes, it is the think-tank that was founded by the Secretary of State for Education, and the think-tank that said that the solution to unemployment in the north was for people to move to the south. Mr Blair Gibbs made the case for these commissioners on behalf of that organisation. He was in fact chief of staff to the Policing Minister between 2007 and 2010.

The second organisation is called Direct Democracy, which included in its book "Direct Democracy: An Agenda for a New Model Party" a chapter on the case for independent police commissioners. Yes, that is the Direct Democracy that was founded by the hon. Member for Clacton (Mr Carswell) and by the Tory MEP Mr Daniel Hannan—he who described the NHS as a "60-year mistake". Unfortunately, the chapter in the book was authored by the Policing Minister himself.

The third organisation is a think-tank called Reform. In its 2009 pamphlet, it also advocated this policy. Yes, the Reform think-tank is now headed by the former Tory central office head of political research, and it was founded by the Policing Minister. So there we have it: a former chief of staff to the Minister, a chapter written by the Minister and a think-tank founded by the Minister. Unusually for the coalition, the Minister responsible for the policy actually supports it, which is quite a turn-up for the books.

Mr Burley: The right hon. Gentleman has been talking about operational independence for the past five minutes. Does he not agree that, when Tony Blair summoned all 43 chief constables to a knife crime summit in Downing street and urged them collectively to do more about knife crime, he was illustrating exactly the way in which politicians could constructively influence the police?

Ed Balls: Of course the hon. Gentleman is right: Prime Ministers should take an interest in these matters, and I am sure that the Prime Minister of the time did that while fully respecting the operational independence of the police. The present Prime Minister is an advocate of individually elected police commissioners; in fact, it was in his 2005 manifesto. It is always good for the Home Secretary to support the Prime Minister if she can, but sometimes, as I know, it is important to say no. I am afraid that, on this matter, she has been remiss in her duties. It would have been much better if she had said to the Prime Minister, "I am very sorry, Prime Minister, but a policy that sounded good in opposition is deeply flawed and unimplementable in government."

Robert Halfon (Harlow) (Con): The right hon. Gentleman mentioned three organisations that support the proposals for elected police commissioners. I should like to read him a quote from a fourth:

"And with local meetings, new elected police representatives, and online crime mapping, people will have more information and more influence over what their local team is focused on."

That quote is from the Labour party website, www.labour.org.uk.

Ed Balls: As I have said, we are looking carefully at this proposal. We have investigated it in detail, and we have concluded that it is a bad idea because it risks politicising our police and it is a waste of money. The money would have been better spent on police officers on the front line. We had a record number of police officers, and now we are seeing the biggest cuts in peacetime history.

Chris Bryant: Is not the absolute proof that the Government know that these are to be politicised posts the fact that the Bill allows for the Home Secretary to make provision for the candidates for the posts to be included under the terms of the Political Parties, Elections and Referendums Act 2000? They will effectively become politicians; they will be party nominees.

Ed Balls: As I understand it, though, the drafting of the Bill has not taken into account the fact that funding needs to be restricted on third-party campaigning. This issue needs to be cleared up and properly brought into line with other political elections. We know that the matter will be politicised by those on the Government Benches, because they have said so.

It is the job of the Home Secretary to stand up for public safety, to fight for police numbers and to resist barmy political reorganisations that get in the way of progress. Instead, we have seen her standing back and giving in to the Chancellor on huge and disproportionate cuts to policing, and being steamrollered by the Treasury into proposing front-loaded cuts. We have seen her stand at the Dispatch Box and recite a script that was written by the Prime Minister before he was Leader of the Opposition, back in 2005. To agree to any one of record police cuts, front-loading of cuts or a risky change to political accountability would be a foolish thing to do, but to sign up to all three at the same time is very reckless indeed. That is what the Home Secretary has done over the past six months in the job. It is time that she got some operational independence and started to do the job that she was appointed to do. She must stand up for our police and our communities, and resist these barmy proposals. We oppose giving the Bill a Second Reading.

Several hon. Members *rose*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Due to the number of speakers, I am introducing a 10-minute limit on speeches.

7.10 pm

Caroline Dinenage (Gosport) (Con): As we saw in the ugly scenes outside this building last Thursday, the police deal with people at their worst, when they are in states of anger, violence, grief, shock and fright, and frequently when they are unpredictable because of drug or alcohol use. Through all that, they have to retain their composure, sense of perspective and humanity. Many of us here today have had the opportunity to go on patrol with our constabularies better to understand the pressures that they routinely face on our behalf.

A Saturday night patrol gave me a unique insight into the diverse range of incidents that a two-man team can be called upon to deal with. As we went from one incident to the next, I was impressed by their patience and professionalism, and their ability to maintain a sense not only of perspective but of humour. I went home exhausted, with a feeling of achievement at just

[Caroline Dinenage]

having survived the night, while they, of course, had to go and do it all again the following day. I have spoken at length to my local chief constable and other police officers about the Bill. Why? Because it is too important to get wrong. No one knows when they will need to call upon the police for assistance, but we do know that, at that point, we will expect them to be there.

Budget reductions are never desirable, but in the current economic climate they are necessary to get the country back on track. Some forward-thinking chief constables might see it as an opportunity to rethink traditional practices, restructure management hierarchies, get the best out of support infrastructure such as HR and procurement, see opportunities for cross-boundary collaboration and information sharing, and run things better and more effectively.

The scope of the Bill is vast, but there are three main parts that I want to talk about, beginning with the proposals on licensing. In a previous life, I sat on the licensing committee of the local council, and local residents would often cite their frustrations with the antisocial behaviour of people leaving bars and clubs late at night. At present, the responsibility of the landlord ends outside the bar or club, and short of ushering customers away from their premises with a plea to leave quietly, they are essentially free to make their money while others are left to clear up the undesirable after-effects.

What taxpayer in their right mind would prefer to see their money pay for police in yellow jackets spending all night dealing with teenagers who have drunk themselves stupid on alcopops, rather than catching burglars, rapists and murderers?

Justin Tomlinson (North Swindon) (Con): Scenes such as those my hon. Friend has just described are all too typical and do much damage to the night-time economy. Does she agree that the late-night levy will help to deliver a safer night-time economy, which will be a boost to the vast majority of law-abiding customers who are all too often put off by the actions of the disgraceful minority?

Caroline Dinenage: My hon. Friend makes a good point. It is important that the levies are imposed only on venues that supply alcohol between midnight and 6 am. That means the responsible pubs and clubs that shut earlier and are managed well, are able to go about their business without any such levies. The funds generated by the levy will be payable to the police and crime commissioners to help to fund the necessary policing, as well as to other organs of local government that address the effects of alcohol-related crime and disorder.

Another positive outcome of the Bill is the reduction in centrally set targets and in bureaucracy. The mass data collection prescribed by the previous Government is one of the biggest frustrations for our police. In Hampshire, it amounts to 130 weeks' worth of extra work per year—two full-time members of staff—just to satisfy the demands of the Home Office. And I have no idea who reads all that stuff. The plea from local police is that this great advance towards common-sense policing needs to be reflected in changes to the criminal justice system. At the moment, our police spend thousands of hours preparing court cases in which the perpetrator says nothing on arrest or at interview but pleads guilty in the Crown court. All the preparation work was therefore an utter bureaucratic waste of time. There has to be some way of mitigating that.

Hampshire has the sixth biggest force in the country, policing about 2 million people, and substantially more during the summer.

Chris Bryant: Is the hon. Lady really suggesting that police officers should not do any preparation because they think that someone might plead guilty? What then happens when the person does not plead guilty?

Caroline Dinenage: I suggest that far too much police time is spent preparing for an inevitable guilty plea.

Chris Bryant: Why is it inevitable?

Caroline Dinenage: Well, in some cases it is an inevitable guilty plea. It is thousands of police hours—not in every case, but in many.

There are clear benefits from increased collaboration between forces, not least improved efficiency, the driving down of costs and the avoidance of reinventing the wheel. Police forces can do a lot by sharing back-office functions and procurement. In Hampshire constabulary there will be collaboration with the neighbouring Thames Valley force on facilities such as dog teams, firearms response, IT and surveillance aircraft.

We also need to ensure that the collegiate approach is backed up with shared local information. So many times, the police talk of the frustrations of the record management system, with local criminal information not being available across county borders, which the bad guys are happy to exploit.

There is a tendency for people to view the police as "them and us," but the police are us; the us that is prepared to deal with humanity at its worst. As both Robert Peel and the Home Secretary have said,

"The police are the public and the public are the police."

In Gosport, our local police work hard to build up trust in traditionally wary neighbourhoods. The Bill starts to recognise that work and build on it, and is joined up in both its approach and its delivery.

7.16 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): What my right hon. Friend the Member for Morley and Outwood (Ed Balls) has said about the attacks on the strength of the police and about the cuts in police budgets particularly affects us in Greater Manchester, where we have an absolutely excellent local police service that will be severely damaged by what the Government propose.

I wish, however, to concentrate on clause 151, which has been smuggled in to fulfil a Conservative election pledge made in a full-page advertisement in the *Jewish Chronicle* during the general election, namely the change in the administration of universal jurisdiction in this country. There is no need whatsoever to change the law. To obtain an arrest warrant for a suspected war criminal, it is essential to surmount a high hurdle, and that rarely happens. Such applications are made rarely, and are granted even more rarely. This change in the law would never have been proposed if it were not for the case of Tzipi Livni, the war criminal daughter of a terrorist

father, who was scared off coming to this country because of the danger of an arrest warrant being issued for her. She was jointly responsible for the slaughter in Gaza in Operation Cast Lead in which 1,400 people were killed, including 300 children, in a war in which 14 Israelis were killed, some by friendly fire. It is bizarre that a major change in our criminal justice system is being made at the demand of one of the most discredited regimes in the world.

Mr Matthew Offord (Hendon) (Con): The right hon. Gentleman specifically identifies Tzipi Livni and talks about the accusations that have been levelled against her, but I am sure that he will agree that, as Foreign Minister, Livni would not have had either direct or ultimate command responsibility for any of the alleged atrocities. Will he concede that what he has just told the House is incorrect?

Sir Gerald Kaufman: Of course not. Tzipi Livni is a war criminal and, what is more, she issued a vocal and extreme statement in support of the attack on the Gaza flotilla. She is not wanted in this country—

Mr Offord: She is in my constituency.

Mr Deputy Speaker: Order.

Sir Gerald Kaufman: Without the change in the law she would not dare come here.

The Israeli Administration are one of the most discredited regimes in the world, and have persisted in committing war crimes, right through to the lethal attack on the Gaza flotilla on 31 May.

Robert Halfon: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: I shall give way in a moment. Israel breaches international law and the Geneva convention—*[Interruption.]*

Mr Deputy Speaker: Order. Hon. Members should know better. I do not want a debate going on across the Chamber from sedentary positions. If Members want to intervene, they should do so in the correct manner.

Sir Gerald Kaufman: The fact is that Israel breaches international law and the Geneva convention every single day. It has just snubbed the President of the United States by refusing to halt the illegal building of settlements—that in itself is a contravention of international law.

Robert Halfon: I thank the right hon. Gentleman for giving way, but I must say that his hatred for Israel knows no bounds. He explains exactly why universal jurisdiction needs to be changed—it is being used as a political football by people such as him who have hidden agendas.

Sir Gerald Kaufman: There would have been no proposal to change the universal jurisdiction law if Tzipi Livni had not been scared away from this country after committing appalling war crimes against the people of Gaza. It is as simple and as plain as that.

As I said, the Israelis have just snubbed the President of the United States by refusing to halt the illegal building of settlements. The Israeli regime uses its powers of arrest without charge arbitrarily. Two Members of the Knesset, including the Deputy Prime Minister, were scared away by the law, but 30 members of the Palestine National Council are currently held by the Israelis without charge. That is not a threat of arrest, but an actual arrest.

Last month, when I was in Jerusalem, I visited three PNC members who are taking refuge from arbitrary arrest by the Israeli police with the international Red Cross. I met and heard the testimony of young Palestinian children who were assaulted by Israeli police - they showed us their scars and bruises—as a result of the arbitrary and illegal way in which the Israeli police treat Palestinians, including Palestinian children. When we met the Foreign Minister of Jordan in Amman, he told us that he had to offer diplomatic shelter to the President of Palestine because when they were driving along one after the other, the President was continually halted at Israeli checkpoints. For all those crimes and many more, the Israelis are answerable to no one. Now, one of the few sanctions on those crimes will be removed. As a result of the Bill, Israeli politicians will be literally allowed to get away with murder.

That comes at a time when the ground is shifting. As I said, the pledge on the measure was made in a full-page advertisement in the *Jewish Chronicle* in order to get Jewish votes in the recent general election, but there is an upheaval in the Jewish community, as a result of which the across-the-board support for anything an Israeli Government do is no longer available.

Chris Bryant: My right hon. Friend referred to what people said during the general election. Does he recall what position every single Liberal Democrat MP took before and during the general election?

Sir Gerald Kaufman: I am well aware what they said, because week after week, I sat in the Chamber at business questions, when the current Deputy Leader of the House rose without fail to say how heinous and unacceptable it would be for the Labour Government to change the law on universal jurisdiction, and how the Liberal Democrats would be totally opposed to any such change. We have an obligation to remind the electors of Oldham East and Saddleworth of the broken Liberal Democrat pledge of 3,000 more police on the streets, and of their broken pledge to oppose any change in the law on universal jurisdiction. Those things will not go by unnoticed.

As I said, an upheaval is taking place in the Jewish community. The attitudes of leading Jews who have been vocal champions of Israel are becoming deeply critical of the current Israeli Government. One of the most active and vocal supporters of Israel has accused them of being in the process of turning Israel into an "apartheid state".

As my hon. Friend the Member for Rhondda (Chris Bryant) pointed out, the hypocrisy of the Liberal Democrats on universal jurisdiction is unlimited, as on so many matters. Week after week, their spokesman rose and vehemently opposed a change in the law for which he will vote tonight, just as Liberal Democrats voted last week in blatant breach of their election pledges.

[Sir Gerald Kaufman]

Whatever change in the law the Government introduce for the most craven reasons, Tzipi Livni and her ilk will remain unwelcome in this country. What worries me is that without a valid and operable legal sanction—one currently exists, but the Bill will repeal it—and without the legal deterrent that the Bill removes, disapproval of the presence in this country of Livni, Netanyahu and their cronies will take forms that I and many others deplore.

Mr David Burrowes (Enfield, Southgate) (Con): Is it not a fact that the right hon. Gentleman is at the extreme in his views on Israel? Many of us consider them abhorrent, and Front Benchers on both sides of the House have expressed their support for clause 151. It is interesting that he has used the debate on the Bill as a vehicle to display his political views rather than to debate justice. Does he agree that arrest warrants should be issued when there is insufficient evidence to justify a prosecution, because that is at the heart of this matter of justice, not his political views?

Sir Gerald Kaufman: The hon. Gentleman may wish to behave like a creep to his Front Benchers—I was elected to Parliament not to creep to my Front Benchers, but to speak on behalf of my constituents. Indeed, I persuaded the previous Prime Minister to abandon his proposal to change the law on universal jurisdiction. I went to see him and persuaded him that the proposal was mistaken, and he did not proceed with it. If my Front Benchers do not want to agree with me, that is their business. I state a view that I have stated consistently in the House for very many years, and I shall continue to do so, because it is the Israelis who are in trouble, the Israelis who are turning Israel into a pariah state, and the Israelis who will be overcome by demographic changes—they will be outnumbered by the Palestinians—and this Government are an accomplice to what they are doing. God forgive them.

7.28 pm

Tom Brake (Carshalton and Wallington) (LD): I should like to use this opportunity to thank the police for performing the difficult role of policing our country while ensuring that people's civil liberties are observed.

I thank the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) for mentioning Oldham East and Saddleworth, because it gives me an opportunity to tell him that I was there on Saturday; and Sunday. I can assure him that the circumstances that led to the by-election are at the forefront of the minds of residents. They are reflecting at some length on the action the Labour party took in the general election campaign, and I am sure that they will continue do so as they walk into the polling stations to cast their votes.

The bulk of the Bill clearly deals with the elected police and crime commissioners.

Steve McCabe: Is the action that the hon. Gentleman has in mind the legal action mounted by the Liberal Democrats several weeks after they lost an election they thought they would win?

Tom Brake: The hon. Gentleman knows that the Liberal Democrats went to the courts because allegations were made in the Labour party literature that were completely unsubstantiated. They were not just the normal unsubstantiations that one expects from the Labour party, but significant unsubstantiations and—indeed—slurs and innuendoes against the Liberal Democrat candidate.

Mr Deputy Speaker: Order. I am not sure that Oldham has much to do with this debate. We all know the way to Oldham now.

Tom Brake: I regret being led astray by the hon. Member for Birmingham, Selly Oak (Steve McCabe).

I was saying that the Bill is principally about elected police and crime commissioners, who will provide the potential to improve police accountability. I believe that it will lead to something that does not exist currently: individuals with whom local residents can identify and hold directly responsible; in electoral terms, for the success or otherwise of policing in their area and the strategy and budget adopted to tackle crime. It is our role—I hope it is the Labour party's role too, but we will have to see in Committee—to improve further on this positive development by ensuring, for example, that elected police and crime commissioners are truly accountable.

An essential ingredient will be the effectiveness of the panels, and one way of judging their effectiveness will be to look at their powers of veto. I seek clarity from the Minister about the power of veto over the appointment of chief constables. I would also like to know why no reciprocal powers have been proposed in relation to the suspension of elected police and crime commissioners should it be necessary.

Under clause 30—I hope the Minister will pick up on this at the end of the debate—an elected police and crime commissioner can be suspended if found guilty of an offence that carries a maximum term of more than two years. The Local Government Association and Liberty have expressed concern about that. Given that an assault on a police constable, for instance, could lead to a term of just six months, why has the threshold been set at two years? Although one would not go to the extent of requiring an elected police and crime commissioner never to have had a parking ticket, they would need to observe certain standards.

Clause 58, to which the shadow Secretary of State referred, provides for elections. I hope that the Minister will address a couple of issues that the Electoral Commission has flagged up. It has said that there do not appear to be provisions enabling the commission to provide advice and assistance to returning officers, political parties, candidates and agents. However, it might be expected that it would do so anyway and that therefore we do not need provisions enabling it. The second issue is whether third party campaigns would have to report any financial expenditure in support of a particular candidate.

On clause 79, the Minister will be aware that one of the big discussions about elected police and crime commissioners has been on how they will balance their essential role of dealing with local crime with their equally essential role of focusing on national priorities, which might not be as visible to the electorate but will

still need addressing. The Minister will have been lobbied by the National Society for the Prevention of Cruelty to Children and a range of other organisations concerned about national policing capabilities and the effect on their—perhaps niche—concerns. I am not saying that looking after children is a niche concern—it is an essential priority. I am thinking of other areas, such as business crime. The Minister has covered that brief for many years and, like me, will have been lobbied for years by the business community on the importance of addressing business crime. The British Retail Consortium, among others, has requested that it be covered in the national policing capabilities. I do not know whether that much is necessary, but I would be interested to hear what the Minister has to say about it.

Part 2 of the Bill does not mention the below-cost sale of alcohol, so I hope that the Minister will tell us what is planned in that respect. The principle of the late- night levy is excellent, but he will know that the LGA has sought greater flexibility to allow it to take into account the extra costs, but without the additional administration of a late-night levy. I hope that he can explain why a late-night levy was adopted, rather than providing more flexibility in tackling the full cost of processing licences.

I do not feel the same animosity as other hon. Members do towards the noise from Parliament square. It is an important principle that people should be allowed to demonstrate there, which is why we need clarity on the proposals, particular on the oral instructions given to people. How will that work? How will people know when a formal oral instruction has been given requiring them to comply with a direction not to use amplified noise equipments, tents or sleeping bags, for instance? I also have concerns about the force and forfeiture powers that might be provided to employees of the Greater London authority and Westminster city council.

On the misuse of drugs, the Minister has made it clear that there is no attempt to stop scientists being involved in this process—my hon. Friend the Member for Cambridge (Dr Huppert) might be tabling amendments on this point. We want to be certain that scientists will be involved, and that policies will be evidence based.

The right hon. Member for Manchester, Gorton made a point about arrest warrants. I understand his concerns, but I think they can be addressed—I hope this will be made clear in the Bill—if the Director of Public Prosecutions is under strict instructions to ensure that any requests for warrants are processed within a very short period. That would ensure that the process is not used as a means of preventing action from being taken simply because it takes too long to consider a matter. I have had discussions with a previous DPP, whose clear view was that requests can be turned around quickly and that they will not get in the way of action being taken when necessary.

Duncan Hames (Chippenham) (LD): It is essential that the role is conducted in a timely fashion. However, does my hon. Friend agree that for the public to have confidence in the arrangement the DPP must be able to exercise his or her role without political interference from the Attorney-General, who is an elected politician exercising a supervisory role over the DPP?

Tom Brake: I agree entirely with my hon. Friend. I can assure him that the previous DPP whom I was talking to would have ensured that there was no political interference of the kind he describes, as will, I am sure, the current DPP.

It is difficult in the time allotted to do justice to what is in the Bill. There are solid proposals that we can improve on—and which I am sure we will debate at length in Committee—for elected police and crime commissioners. There are also some positive developments in relation to licensing that I know local authorities will support. On the misuse of drugs, I welcome what the Minister has said before—and what he may say again today—regarding the important role that scientists will play in making an evidence-based assessment of the impact of drugs. Finally, on the proposals to change the way in which arrest warrants are issued, it remains my view—and that of my hon. Friend the Member for Chippenham (Duncan Hames)—that sufficient resources will need to be provided to the DPP to ensure that arrest warrant requests are dealt with speedily, and are not used as a means of ensuring that appropriate action is not taken. This Bill provides a positive step on policing, and I look forward to debating it in greater detail in Committee.

7.41 pm

Karl Turner (Kingston upon Hull East) (Lab): I would like to focus on part 1 of the Bill—on the proposals for directly elected police and crime commissioners. The proposals throw up a wide range of issues and will fundamentally undermine the foundations of policing, ending years of police independence from politicians. There is a great deal in the Bill to which I object, but I want to focus on two particular concerns. First, the implementation of elected police and crime commissioners is an expensive process, coming at a time when our police forces are facing deep and serious cuts. Secondly, the Bill concentrates a great deal of power into the hands of one person—the elected commissioner—and will, in my view, lead to our sacrificing the police's political independence, which has existed successfully for more than 170 years.

The reforms come at a crucial time for the police—a time when they have to absorb the impact of cuts to both the Home Office and local government funding and when, despite the Tory rhetoric, the Ministry of Justice is undertaking a massively underfunded shake-up of the criminal justice system. For those with an interest in crime and justice, these are indeed worrying times. It happens to be a fact that under the last Labour Government, crime fell by 43%, while the chance of being a victim of crime fell to a 30-year low. There can be no doubt that that great achievement was underpinned by record police numbers. That progress is now being put at risk by reckless cuts.

Andrew Percy (Brigg and Goole) (Con): Will the hon. Gentleman give way?

Karl Turner: I am always happy to give way to the hon. Gentleman.

Andrew Percy: The hon. Gentleman talks about police numbers. Will he remind us what happened to police numbers in Humberside in the last year of the Labour Government? If he cannot remember, I will remind him that we saw a fall of 130 in the number of officers.

Karl Turner: It is convenient for the hon. Gentleman to suggest such a thing, but the reality of this Government's proposals is that police numbers will fall substantially. He represents Humberside, as I do, and I am sure that he, too, will have heard the concerns of police officers about the risks to which this Government are exposing them. Police numbers will fall as a result.

The reforms are happening at a time when, despite the rhetoric that we hear, the Ministry of Justice is undertaking a massive shake-up of the system. Although the Home Office has claimed that the annual cost of running police commissioners and panels will be the same as the cost for police authorities, we understand that extra costs of £136.5 million will be incurred, owing to the need to hold elections. In addition, there is a further £5 million fund for redundancy payments. It seems that this Government cannot implement any policy without slashing jobs. The Tory manifesto stated: "Policing relies on consent." My fear is that the Bill will stretch the public's consent to breaking point. One has to imagine a situation in which police numbers fall and crime increases, while at the same time the public are asked to shoulder the cost of another level of bureaucracy in the policing system.

I also have grave concerns, as do many others, about operational independence and the politicisation of the police force. The political independence of the police is as important in our democracy as the independence of the judiciary. A crucial principle of UK policing is its operational independence and unwavering commitment to non-partisanship. If policing operations are overseen by someone who is politically motivated, maintaining police independence will become increasingly difficult.

Mr Burley: Will the hon. Gentleman give way?

Karl Turner: Not at the moment. I would like to make some progress.

Any change to police force operations must ensure that that independence remains. The Government's proposals will not maintain that crucial division. Although they have stated at every turn that forces will retain their operational independence, I do not feel that their proposals can even remotely achieve that. The political interference begins from the very start of the process, with the selection of candidates. Even if election expenses are capped, prospective candidates will have to invest money and raise their profiles across the force area, as well as picking up issues that will help with their campaigning.

Andrew Percy: Will the hon. Gentleman give way again?

Karl Turner: Not at the moment.

The Government's proposals inevitably restrict the range of candidates to either those who are sufficiently rich or those with party political backing. *[Interruption.]* Hon. Members are making comments from a sedentary position, but that happens to be a fact. The process of electing police and crime commissioners will be fraught with difficulty. It is not beyond the imagination of any Member of this House to see that the sensitive parameters of the commissioner's role and the importance of operational independence may be compromised, as candidates seek popular support on local law and order issues. Besides that, I feel that we are in danger of unrealistically raising the expectations of local communities about what a commissioner can truly achieve. That will serve only to undermine trust in police forces further.

Once the polling has drawn to a close and the commissioner is in place, there is great potential for further problems to arise. There is an increasing risk that someone who has been elected will be reluctant to make an unpopular decision, regardless of its necessity. A prime example would be on the visibility of police officers, which is a particular concern to me. In my view, an elected commissioner would prioritise highly visible policing, such as policing to tackle antisocial behaviour, while less visible policing, such as policing to tackle organised crime, high-value electronic fraud and paedophile rings, would be left to one side. An elected commissioner would be faced with a stark choice: do they do what is in the best interests of getting re-elected, or do they do what is in the best interests of community safety? The Government's proposals mean that policing decisions will be made in people's narrow electoral interest, and not in the wider national interest. That is a concern supported by Sir Paul Stephenson, who stated that

"we must ensure that this does not become just talking about popular visibility issues".

The powers conferred on the commissioners, such as drawing up the police and crime plan, the firing of chief constables and the control of the budget, will give them a broad amount of control over operational matters. They will get to decide that visible crime such as antisocial behaviour is prioritised over invisible crime such as the criminality I discussed a few minutes ago.

Bearing in mind the commissioners' wide-ranging powers and the party political nature of their election, I also have grave concern about the hijacking of these positions by extremists. Having one person in control of such a vast power, particularly in regard to law enforcement, will naturally attract those from the far right. To dismiss these concerns as "scaremongering" is both short-sighted and inappropriate. Twenty years ago, no one would have imagined the British National party sitting in the European Parliament. Despite not winning a parliamentary seat in this place at the last general election, its overall share of the vote increased.

This Bill poses an important question for the future of this country's policing. We are faced with the choice of abandoning political independence and objective decision making for politicised choices made in the electoral interest. At stake in this Bill is the integrity of our police forces. Chief constables, such as the one in my area, are expressing concern about being forced to make cuts that will impact on front-line services. The Government must decide what they value most: is it to be the ill-thought-out, dangerous and costly policy or will they fund the police properly and ensure that front-line services are not affected?

7.53 pm

Mr Aidan Burley (Cannock Chase) (Con): Thus far in today's debate, we have heard some interesting comments about a wide-ranging Bill that covers increasing licensing powers, banning legal highs and ending the disgraceful occupation and vandalism of Parliament square—a situation that it is hard to conceive would have been allowed to develop had people decided they wanted to set up a campsite on any other pavement or public square in the United Kingdom.

Michael Ellis: I am grateful to my hon. Friend for giving way so early in his remarks. Is he concerned, as I

am, that the provisions to deal with the Parliament square encampment will not receive Royal Assent until the end of July, which means that the royal wedding in April could still be subjected to the awful sight of this encampment in Parliament square?

Mr Burley: I share the concerns of my hon. Friend, who makes a good point about the timing of this legislation and the effect or otherwise it will have on the royal wedding. We all heard the Prime Minister say that he hoped the encampment would be gone by April, so I look forward to seeing how this progresses. I understand that my hon. Friend has some ideas of his own, and he will no doubt inform the House of them at a later date.

I would like to focus my remarks on the provisions around police and crime commissioners, the direct election of whom will, I believe, mark one of the most significant and positive changes to policing in our country. The Jack Daniel' s adverts currently on the tube billboards read: "No one built a monument to a committee"—and if they were intended to refer to police authority committees, it is not hard to imagine why. They are possibly the least effective, least visible bureaucracies in the public sector that I can think of—visible to just 7% of the UK public. I believe that the bold changes in the Bill will finally end governance by committee and instead enable transparent and accountable policing in this country.

Opposition Members—not that there are many of them left in their places—have advanced a few arguments against police and crime commissioners today, and I would like to address, in order, the three main criticisms that have come out of the debate. First, the Opposition have argued that commissioners will cost more than police authorities; secondly, they have alleged that PCCs will interfere with the operational independence of chief constables; and, finally, they have said PCCs will do nothing to bring the police closer to the communities they serve. Indeed, the shadow Home Secretary has said that this Bill

"goes against a 150 year tradition of keeping politics out of policing."

The Opposition are mistaken on every single one of those counts, and I welcome the opportunity to explain why.

Let me first turn my attention to the issue of cost. Implementation costs, which are the price of shifting from police authorities to police and crime commissioners, are expected to be £5 million. The forecast cost of holding elections every four years is £50 million, but the running costs of the police and crime commissioners and their panels are predicted to be the same as for the current police authorities. Opposition Members would do well to remember that when Labour was in power, increased spending of any kind was slavishly hailed as a sign of automatic improvement in public services. They would be well advised to think carefully before voting against this investment, which, contrary to most of the Labour Government's spending, will promote democracy, accountability and thrift.

I cannot recall many Labour Members arguing against the price of democracy when introducing elections for regional assemblies or indeed when it came to Lord Prescott's proposals for regional government, which fortunately never made it through to the ballot box—although if they had, I am sure there would have been a price attached to them.

Where police authorities are invisible, police and crime commissioners will be high profile; where police authorities fly below the radar of public scrutiny, PCCs will be held accountable; and where police authorities are divided, wasteful, bureaucratic and inefficient, PCCs will be firm of purpose and leaner in expense. The reality is that police authorities are a costly collection of committees that are simply no longer fit for purpose. They cost £65 million and taxpayers fund all the generous expenses and allowances that individual members claim. In the light of the rising costs, we simply cannot ignore the value of bodies that fail to hold police properly to account and are invisible to the people they claim to represent.

Government Members need to counter the "scaremongering" myth peddled by some that election costs for these commissioners will come out of already stretched local authority budgets. This is unfounded and inaccurate: they will be funded by the Home Office budget and, as I said earlier, it is not the intention that PCCs should cost more than existing police authorities. In fact, it is quite the opposite: the intention is to give much better value for money.

Let me move on to the issue of independence. I agree with the Opposition's stance on maintaining the importance of operational independence. For this reason, I was pleased to hear my right hon. Friend the Minister for Policing and Criminal Justice emphasise in September the need to maintain the operational independence of policing. He said that

"someone has to hold the police to account. In my view that should be an elected politician. We cannot have the police answering to no one. Therefore what we are discussing is simply the nature of that accountability; but politicians will be involved in one way or another." [*Official Report*, 14 September 2010; Vol. 515, c. 241WH.]

I believe that, far from interfering with operational independence and duty to act without restraint, I believe that this Bill will serve to improve it. Chief constables will have greater professional freedom to take operational decisions without fear or favour to meet the priorities set for them by their local community through their commissioner.

The Opposition's charge of politicisation is, I am afraid, based on a fundamental misconception. The governance of policing is rightly, and by its nature, political. Deciding where to deploy limited resources is a political decision. Deciding whether to put officers in cars or on the beat is a political choice. Deciding whether they patrol in pairs or singly, on the same side of the street or the opposite side, is a political decision. As I mentioned earlier—I would have reiterated it later if the hon. Member for Kingston upon Hull East (Karl Turner) had accepted my intervention—when Tony Blair summoned all 43 chief constables to Downing street for a summit on knife crime to put political pressure on them to do something about the explosion of that crime, that was political interference, to use the words of Labour Members, with the police. It was entirely legitimate, however, because Tony Blair as a politician democratically representing the people of this country wanted to put pressure on our police to do something about a problem. It is precisely the same principle in the Bill.

Mr Offord: Although my hon. Friend is right to mention the influence of the former Prime Minister Tony Blair in the context of the street crime initiative, I

[Mr Offord]

think that members of the shadow Cabinet are concerned about the fact that he intervened in other circumstances where we know he exerted influence. I am thinking of, for instance, the Serious Fraud Office and the investigation into British Aerospace. Will my hon. Friend confirm that Government Members will not accept such actions either?

Mr Burley: I agree. Operational independence is about, for example, decisions to arrest people. No one is suggesting that we should give police and crime commissioners the power that Winston Churchill had in the Essex street siege to order police officers to arrest people, but I think it democratically legitimate for a police and crime commissioner to be elected on a mandate of, for instance, putting more police on the streets where they are visible and accountable, because that is what the public want. Over the past 10 years—indeed, throughout the 1980s and 1990s—there has been a move to put police officers in cars and say to their chief constables and senior officers, "This is my democratic mandate. We want more police on the streets. Tell me how you will achieve it." That does not strike me as interfering with operational independence.

Let me now say something about transparency and accountability, both of which have been criticised by Opposition Members under whose Government any hint of either was lost in the mire of sofa government. Despite costs of between £52 million and £78 million a year, there is scant awareness, and therefore scant accountability, in relation to the authorities themselves, let alone their expenditure. Public input is exceedingly low. A significant proportion of police authorities received a meagre average of three letters or e-mails per week between 2007 and 2010.

When asked by the Home Affairs Committee how one individual could improve police accountability, Kit Malthouse, London's effective police and crime commissioner, replied:

> "It allows there to be a kind of funnel for public concern. For instance, when I was appointed to this job in May 2008, and given the job title Deputy Mayor for Policing, the post bag at City Hall on community safety went from 20 or 30 letters a week up to 200 or 300. The letters just came and came."

According to Louise Casey's 2008 crime and communities review, only 7% of the public are even aware that police authorities exist. According to MORI, however, 68% of people agree that a single person should be elected by local people to hold the police to account on behalf of the community.

For too long the fight against crime has been caught up in red tape, which has created a gulf between law enforcement agencies and the communities that they serve. The shadow Home Secretary himself said in Cannock that the work of police authorities

> "isn't always as visible as it could be. Around police landscape, around accountability, there is more to do".

If he opposes the Government's police reforms, may I ask what he proposes to do about that? Surely he cannot attack our plan without having a plan himself.

Establishing commissioners will only serve to improve the alarming statistics that I have mentioned, and to raise the profile of the police force as a whole. It will enable us to turn our backs on a corrosive legacy that has done nothing to prevent the British public from being misinformed about, and unaware of, how to influence directly the strategy of policing in their areas. It is impossible to conceive that after just one term of police and crime commissioners, only 11% of police officers will still be visible and available, only 7% of the public will know how to contact their police and crime panels, and there will still be record dissatisfaction with the police despite the existence of a record number of them.

Locally elected police commissioners will be transformative. They will ensure that the police concentrate on the crimes that most affect local people's quality of life. The existing top-down, target-ridden culture will be replaced by something altogether preferable: accountability to the public. The Home Affairs Committee's report concludes with the words:

> "Police and Crime Commissioners will be judged on whether they succeed in bringing the police closer to the public they serve."

It is clear that the proposals for police and crime commissioners and their supporting panels will go a huge way towards achieving that aim.

8.4 pm

Ann Clwyd (Cynon Valley) (Lab): I oppose clause 151, which is entitled "Restriction on issue of arrest warrants in private prosecutions". I do so as chair of the Back-Bench all-party parliamentary human rights group, of which the hon. Member for Carshalton and Wallington (Tom Brake) is treasurer. I hope that my arguments will prevail on him, and that he too will see that to change the position in that regard would be invidious.

Tom Brake: Will the right hon. Lady give way?

Ann Clwyd: Certainly. It appears that the hon. Gentleman has already changed his mind.

Tom Brake: I think that if the Director of Public Prosecutions, having taken on this responsibility, is given resources enabling him or her to process a request for an arrest warrant in a very short time, all the right hon. Lady's concerns may disappear. If they do not go away, will she explain why?

Ann Clwyd: I hope to, if I am able to develop my thoughts.

Much of our criminal law is territorial, applying to acts committed in England and Wales or by British people, but we have agreed to prosecute those who commit crimes, such as grave breaches of the Geneva Conventions Act 1957 and torture and taking hostages here, wherever or by whoever those crimes are committed. That is universal jurisdiction intended by all the countries who accede to it to ensure that there is no international hiding place for perpetrators of grave crime. We have a duty to seek out the culprits, and either to extradite them or to prosecute them here. For example, in 2005 an Afghan warlord, Zardad, was successfully prosecuted in the United Kingdom for torture offences abroad.

In the United Kingdom, it is not only the police who can initiate proceedings; any individual can apply to a magistrate for a summons or warrant to bring someone

to court. The test for the magistrate is whether there is prima facie evidence of an offence on the part of the person named. Many cases involving serious offences cannot proceed beyond that stage without the Attorney-General's consent. I have a little experience of that, having chaired Indict, a human rights organisation which for seven years gathered evidence against Iraqi war criminals, many of whom are appearing in an Iraqi court or have already been sentenced. I have no time to go into what happened then, but in the current circumstances it is extremely difficult to obtain an arrest warrant. It took two years just to discuss the case of Tariq Aziz with the Attorney-General and with Scotland Yard. It was then thrown back to the Attorney-General, and we did not secure a decision. There was a strong possibility that Tariq Aziz, who travelled a good deal, had come to this country, perhaps to spend Christmas with George Galloway, who had spent Christmas with him in the past.

We did not manage to obtain that arrest warrant. English law does not allow arrest warrants to be granted on flimsy evidence, but although our evidence was very strong indeed, we still could not obtain one. Only two of the 10 private arrest warrant applications made in the past 10 years have been granted. Nothing needs fixing, as nothing has been broken.

Universal jurisdiction is a vital, agreed-on basis for tackling impunity in states that do not sign up to the International Criminal Court.

Mr Slaughter: My right hon. Friend clearly knows what she is talking about. I do not know whether she was as dismayed as I was by the fact that the Home Secretary clearly did not know what she was talking about when she was asked what standard of evidence the DPP would require. Is it the prima facie test, the full code test by the prosecutor, or something in between? Perhaps my right hon. Friend, like me, hopes that the Minister will clarify the matter in summing up the debate. If the answer is a full prosecutorial test, that effectively means that no warrants will ever be issued, because that standard of evidence will not have been gathered at the arrest stage.

Ann Clwyd: I am grateful to my hon. Friend for reinforcing that point, on which I attempted to extract more information from the Home Secretary. I am afraid that I did not get an answer however, and I too hope this might be explained further in the summing up.

The 1949 Geneva conventions require us to seek out and prosecute absolutely anybody suspected of committing war crimes. Similar duties exist under the torture convention, where we also have a duty to apply criminal law uniformly. A special legal or procedural system for those cases that is different from the rest of criminal law could breach that obligation. Victims securing the arrest of visiting suspects fulfil an important rule-of-law purpose. No state inference should bar their access to courts. As Lord Wilberforce said in 1978, the right to bring private prosecutions remains

"a valuable constitutional safeguard against inertia or partiality on the part of the authority".

Lord Diplock similarly described it as

"a useful constitutional safeguard against capricious, corrupt or biased failure or refusal of those authorities to prosecute offenders against the criminal law".

Michael Ellis: Does the right hon. Lady not accept that many countries with similar legal systems to our own—Canada, for example—have established a similar system? In the Canadian context, the Attorney-General or deputy Attorney-General has to give leave before the exercise of their universal jurisdiction power. Many other countries have similarly fettered the misuse of universal jurisdiction, which has often taken the course of party political or other politically biased purposes, and they have not had any difficulties in respect of the point the right hon. Lady is making. Where Lord Diplock and others refer to interference of the state, they did not apply it to this test.

Ann Clwyd: I hope the hon. Gentleman will seek to catch Mr Speaker's eye, as he obviously has a speech in the making. I have experience of trying to get an indictment against some of the Iraqi war criminals in other countries such as Sweden, Norway, Switzerland and Belgium. The closest we came to getting an indictment was in Belgium, but that was thwarted at the last moment because somebody brought an indictment against Sharon, and the Belgian Government changed the law. Sometimes the pressures can be very different, but we do not have time to go into the details of this now.

Mr Slaughter: Does my right hon. Friend agree that the difference between what is being proposed and what happens in Canada is that in Canada the DPP is entitled to appear and present evidence for or against the issuing of a warrant, but the decision is a judicial one? What is being proposed here is wholly different, although the hon. Member for Northampton North (Michael Ellis) perhaps does not understand that. The decision is made by the state, before the court has a chance to consider the matter.

Ann Clwyd: I am grateful for my hon. Friend's expert knowledge of this issue.

Senior district judges are trusted to deal with highly sensitive terrorism and extradition cases. They are very highly thought of—I would like to hear anybody say they are not highly thought of—and their role should not be undermined, but that is precisely what the Government are attempting to do. These judges are known to have thrown out cases against Israeli Defence Ministers Mofaz in 2004 and Barak in 2009, plus several cases against Mugabe. Eight refusals out of 10 means the system is already robust enough to weed out illegitimate cases. Indeed, there is not a single example of the current system failing to filter out cases that are an abuse of process. What is the evidence that the judge acted wrongly in the two cases in question? Does the Crown Prosecution Service have a view? Perhaps we will hear.

Some people are, of course, wildly exaggerating the real impact of the current law on them and officials from other countries. We know very well that many people from other countries who are currently in government—Presidents, Prime Ministers, Foreign Ministers and perhaps sometimes Defence Ministers—are free from any arrest warrants of this kind and can travel freely. In fact, absolute immunity applies to serving Presidents, Prime Ministers, Foreign Ministers and so forth, so I do not know what the problem is. It is a problem of the Government's own invention, and I am

[Ann Clwyd]

sorry my Front-Bench team seems to be going along with them at the moment as does the coalition partner—although the hon. Member for Carshalton and Wallington might like to indicate whether he has changed his mind again. I think they are misled and we do a disservice to the many people all over the world who have been injured in some way by some of the people who can clearly be identified as war criminals.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Because so many Members wish to take part in this debate, the time limit is being reduced to eight minutes.

8.16 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): In the eight minutes available to me, I hope to cover two key issues that are of the utmost importance to my constituents: elected police commissioners, and the impact of alcohol in our town centres.

I was grateful to the shadow Home Secretary for addressing in such detail the germination of policy among Conservative think-tanks down the years, as I have spent many a long hour in the twilit, striplit demi-monde of Conservative think-tanks listening to speaker after speaker talk about these ideas while drinking slightly warm orange juice and eating slightly stale croissants. I have to say that it was not initially an issue that particularly excited me. I did not feel inspired by the idea of elected police commissioners.

It was only when I started talking to real people in the real world that I actually began to understand why there was such intense anger and frustration. During the Labour leadership contest over the summer, it was interesting to note that its participants had been agonising and soul-searching as to why the Labour party's core vote has wandered away. Might I suggest that the arrogance over law and order is at the heart of the reason?

I am proud to represent the fourth most deprived Conservative-held seat in the country. There are many hard-working families on below-average incomes who routinely tell me how angry and frustrated they are at the disconnect they perceive between the police and the people. It is a growing gap. That saddens me, and it should sadden the police as well.

I get much positive and valuable feedback about individual police officers at ward level and about individual police community support officers because of the social value they add to their local communities—whether a PCSO in a local school organising football on a Saturday morning or the local beat bobby who looks after a few of the elderly residents, checking they are okay. What I do not get positive feedback about, however, is the overall structure. People do not have a sense that when something goes wrong—when there is an act of social disorder in the street or a theft from the front garden—all they have to do is pick up the phone and someone at the end of the line will listen to their concern and a policeman will appear. That confidence has long since gone. That is a very great shame, as it is fundamental.

What Sir Robert Peel said is being forgotten. We heard the Home Secretary quote Sir Robert Peel, so I thought I might offer my favourite Peel quote. He said that it is important

"to recognise that the power of the police to fulfil their functions and duties is dependent on public approval of their existence, actions and behaviour."

There can be no police without the support of the public, and I worry that that is in danger at present. That is why these reforms are so essential.

My constituents do not know who to go to in order to make complaints. The police authority is not a constant presence in their life. In saying that, I do not criticise those well-meaning individuals who from a sense of public duty and public service serve on that authority, but it is a fact that police authorities are no longer fit for purpose. We need the focal point of a figurehead who can bring together all the disparate strands of crime reduction partnerships, community safety partnerships and police and communities together—PACT—meetings. Everything that goes on at a local level needs to be brought together by one individual.

The same people who are expressing concerns about the disconnect between the police and the public are expressing concern about the impact of alcohol on the town centre. It is a sad fact that many elderly people in my constituency tell me that they are too scared to go into Blackpool town centre of an evening. That is a great tragedy because it is their town as much as anybody else's. I understand that when Labour Members brought in their reforms to licensing they wanted to create a continental style café culture. From their Tuscan palazzos, they had observed the intergenerational passeggiata and it had warmed their hearts. I think it is fair to say that the passeggiata and the café culture that they so admire on their summer holidays has yet to make it to Blackpool town centre on a Friday or Saturday evening.

Justin Tomlinson: Does my hon. Friend agree that if he could get a safer night-time economy, that would be a real boost to tourism in his town?

Paul Maynard: I agree entirely. The importance of the night-time economy is much misunderstood. It is not just about vertical drinking establishments, how many stags and hens we can cram into the town centre or about how much alcohol can be consumed. A town such as Blackpool has a much wider range of things to offer. We have an excellent theatre in the Grand theatre.

Andrew Percy: Does my hon. Friend agree that the implementation of the late-night levy will be incredibly effective in helping to address some of these problems? A 50:50 split between the police and the local authorities would mean that that local authorities, on a business improvement district-type model, could work with the local licensees to address the priorities. Most licensees are decent people who try to do a good job. Does he not agree that a 50:50 split would perhaps be better?

Paul Maynard: That is certainly an interesting point, and I hope that it will be explored more thoroughly in Committee. Many of the elderly people who would otherwise be keen to go to the Grand theatre for an evening's show do not do so because they do not want to have to form crocodiles for safety, weaving their way through the town centre to find a local taxi rank because they are scared.

Andrew Griffiths (Burton) (Con): Will my hon. Friend give way?

Paul Maynard: If my hon. Friend will forgive me, I will not, because of the lack of time. I have given way twice already and I apologise to him.

It is also important to understand that alcohol has a social impact. This is one of the great unresolved issues, certainly for me, politically. On the one hand, I believe in freedom of choice and the freedom of the individual. Alcohol is a perfectly legal substance. We should all be able to consume it in moderation, perfectly legally, without the forces of the state interfering with us. On the other hand, it is impossible to be the Member for Blackpool North and Cleveleys and not to have a genuine understanding of the social cost of alcohol consumption in such a deprived area.

Some of the statistics frighten me. Some 75% of all the domestic violence in Blackpool is linked to alcohol and 42% of the violent crime takes place in the three town centre wards. We are beyond saturation point when it comes to off-licences. In some of the town centre wards, such as Bloomfield, there is one off-licence for every 250 residents. To me, that is not so much a market as an oversupply. It is a market that is not functioning. We have 1,900 on-licensed premises supporting the hospitality industry. There must be freedom of choice, but there must be an understanding of the social cost of alcohol, too. That debate needs to take place.

That is why I am such a supporter of the alterations to what is known as the vicinity test. I know that many in the alcohol trade are concerned about that change, which will allow many more people to put their views forward on the issues of granting extra licences. It will no longer apply just to the adjacent roads. Anyone from across the town will be able to have their say. That is a vital step forward.

We need a much more mature and wider debate in this country about the role that alcohol plays in our lives. We need to understand how we can balance our freedoms with the need to protect the vulnerable. When I am walking around the streets of Blackpool, I understand why we are the national capital for liver disease, sad as that might be. I can see why we have a problem with domestic violence and violent crime. When I look at the number of alcoholic establishments outside my constituency office and the numbers crowding around of a Friday evening, I see the importance of trying to tackle underage drinking. I welcome the heftier penalties, but they need to be imposed.

It is vital, however, that, in addition to tackling that problem, we recognise that the state can do only so much. We can try to tackle under-age drinking by imposing extra fines and closing down the off-licences that sell to the under-age people, but I do not think that the state can ever tackle issues such as proxy purchasing, where adults go into the off-licence on behalf of the child, or drinking at home.

Unfortunately, there is only so much that the state can do, but none the less I welcome wholeheartedly the provisions proposed in the Bill as a sensible step forward and as an example of how localism can work and how local authorities that have imagination and bravery can use legislative implements to improve the lives of their inhabitants. I hope that after this Bill is passed many more of my constituents will feel able to take back their town centre and to go into Blackpool and find out that it is not the scary place they read about in the local papers but somewhere in which they have a stake, as well as the stag parties, the hen nights and the day trippers. I believe that Blackpool is for the inhabitants of Blackpool as well as for the tourists.

8.26 pm

Hazel Blears (Salford and Eccles) (Lab): I welcome the opportunity to contribute to this Second Reading debate on what I believe to be a very important Bill. The issues are close to my heart, not just because, like the Policing Minister, I struggled with the tension between visibility, accountability and performance for the three years for which I was Policing Minister, but because I know how important those things are to my constituents in Salford and Eccles and to communities across the country.

There is undoubtedly a problem with the visibility and accountability of police authorities. I believe that the public are entitled to know much more clearly who is responsible for setting policing priorities as well as ensuring that chief constables address the issues that are important to local people in an effective way that achieves the best value for money. It is a complex set of tasks for any police service, but over the past few years we have done pretty well. We need to do more, however. Having a safe community not only transforms life for ordinary people but affects business, investment and economic transformation, and that is why it is so important.

Let me make it clear that I believe that if local people are given the chance to elect their police representatives, they will do so sensibly and rationally and that the spectre of their electing an extremist candidate is unlikely. It is the responsibility of people like us, in this House and elsewhere, to ensure that, in any direct elections, we get involved, campaign on a proper platform, reflect the people's priorities, offer political leadership and support our citizens in making their democratic choices. I have always trusted the public and they often – in fact, nearly always – get it right.

I have real concerns, however, about the idea of electing a single individual who is not connected to the rest of the local governance arrangements for the provision of public service. I would be interested to hear from the Minister when he responds to the debate whether he has really considered that issue. Evidence shows that what has worked in policing in the past few years is the integration of services – for example, in family intervention projects and tackling antisocial behaviour – and joint working between agencies, particularly between police and the criminal justice system. On Friday, I visited a new pilot in Greater Manchester of intensive alternatives to custody, which involves embedding police officers with probation and family support workers – again, involving integrated services. Approaches such as the co-location of key staff and the sharing of data have been part of the direction of travel that has led to effective policing.

That is the direction in which all public services are moving. As part of the previous Government, I started the Total Place work to bring all public services together. It is called community budgeting under this Government. I do not mind what it is called, but it is the most effective way to provide services. It is designed to break down barriers, integrate staff, set joint priorities, pool budgets and get more for less. If the move to having a

[Hazel Blears]

single, elected police and crime commissioner means setting the police apart from the rest of that system. I honestly believe it will be a seriously retrograde step.

Ms Louise Bagshawe (Corby) (Con): Does the right hon. Lady agree that the call for elected police commissioners came precisely because the public do not feel that the current system, integrated or not, is serving them? Is not there a need for the public to have a single voice?

Hazel Blears: Indeed, and I am about to put forward an idea that would meet many of those concerns. One way of achieving the greater visibility for policing that the hon. Lady talks about would be having a directly elected person in each local authority area who would be responsible for local policing but would also have a duty to operate within the rest of the local public service framework to mobilise all those resources to make communities safer. Those directly elected local commissioners could act collectively at force level to hold chief constables to account and to provide direct, local links to their communities. I am genuinely concerned about the ability of a single police and crime commissioner to be visible and accountable to 2.5 million people across Greater Manchester in communities as diverse as those in Rochdale, Wigan, Stockport, Oldham, Manchester city centre and Salford. I wonder whether the Minister has considered having directly elected local commissioners. There is all the rhetoric about localism, but then this policy of having a single police and crime commissioner for millions of people. That is not localism.

Mr Stewart Jackson (Peterborough) (Con): Is not the right hon. Lady effectively making the case for an elected official for each basic command unit? In such a system there would not be co-ordination between different parts of Greater Manchester, because those people would compete with one another for resources and to work and co-operate with other state agencies. That would be a recipe for duplication, expense and confusion.

Hazel Blears: It is a difficult circle to square and I shall suggest how we might address some of those issues. There is no perfect system, but I do not believe that having a single person who is supposed to be visible and accountable to millions of people will work.

I understand that the police and crime panels, which are to be made up of local authority representatives and which will be remarkably similar to the police authorities that have been criticised for their lack of visibility, will have the power to advise and scrutinise the work of commissioners, but would it not be better if those local representatives were elected and therefore had a direct local mandate and accountability? I am very concerned that there will be a lack of consistency between the plans and strategies of local authorities and the health service, plans on tackling drugs and the possible crime plans of the police and crime panels. The local reps could come together and pool the sovereignty of their elected mandates to consider issues of serious, organised and trans-border crime—issues that are properly the concern of whole force areas. Currently, there is concern that police and crime commissioners will concentrate almost solely on very local issues, because of the electoral impetus, and that they might ignore some trans-force, serious and organised crime issues as well as national priorities.

It is inevitable that commissioners will be pressed to prioritise local, visible neighbourhood policing. I do not argue against that, as there is no greater advocate in the House than me of neighbourhood policing. Indeed, my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) and I drove a culture change through the police service to ensure that neighbourhood policing was properly valued and rewarded. Hon. Members will remember that 10 years ago the sexy end of the police business was going out in the squad car with the blues and twos blazing and a helicopter circling overhead. People thought that was real policing. It was not entirely dissimilar from Gene Hunt's kind of policing and it took a great deal of effort to bring the police back to tackling antisocial behaviour, closing crack houses and tackling prostitution on our estates. That was the really important part of policing for local people. I believe that the police get that now and know that being visible in their communities is hugely important to restoring and improving local people's confidence, but we still need to keep the pressure on to make sure that that happens.

Some crime is not immediately visible to people on the streets, but is hugely important to address—whether it is counter-terrorism, serious and organised crime, the emerging problems of cybercrime, drug enforcement or tackling knife and gun crime. All that work needs to be done. The Home Secretary can talk about the national policing priorities in the Bill, but there is no provision for those second-tier regional priorities. In my own area, Salford, we have just had a fantastic operation called Operation Gulf, which entailed the long-term surveillance of organised crime gangs, using a range of powers—not police powers, particularly, but bringing in, for example, the Department for Work and Pensions to examine tax and benefits fraud, working with the Security Industry Agency, and investigating illegal protection rackets and pubs that have been used for organised crime. All that is not immediately visible to people on the street, but it is tackling those serious criminals who are role models for many of my young people. It is about confiscating their assets, and it is long-term police work that costs money. I worry enormously that a police commissioner will not give that the priority that it needs.

In the short time left to me, I shall say a word about the people whom we ask to carry out all that work on our behalf. We spent a long time trying to get a proper skill mix within our police service, recognising that we do not need fully warranted officers to do every single job in the service. Peter Fahy, the chief constable of Greater Manchester, has been a tremendous champion of work force modernisation. When I met him last week, he was desperately worried that with the very severe cuts that we have to make in such a short period of time, the people who will be most vulnerable are the PCSOs and the civilian staff who, because of their employee status, can be made redundant, unlike police officers.

I worry that we will go backwards, rather than forwards. We have got police officers away from being escort officers, custody officers or scenes-of-crime officers,

and we have got them on the front line. As a result of cutting so quickly and so deeply, we will find uniformed officers again in the back-office doing file preparation or escort duties. That is utterly ludicrous. It is a backward step which will lead to much less effectiveness in our service. Our chief constable must get rid of 3,000 people over the next four years. He has said publicly that that will affect front-line policing. As a result of the speed at which it needs to be done and the arcane employment regulations in the police service, we will find ourselves making the wrong decisions about effectiveness.

The public will judge success not simply by elections. They will judge it by what happens on their streets and in their communities. If they can go to bed at night and not wake up with the fear of being burgled, if they can get up in the morning and find that their car has not been slashed and trashed, that will be the sign of success. Accountability, as commissioners will find, will be a pretty tough thing.

8.37 pm

Neil Carmichael (Stroud) (Con): I begin by paying tribute to the police in my constituency, who have been helping to deal with the protests over tuition fees. We have had a few minor actions and in each case the police have demonstrated fantastic support.

It has been a great pleasure listening to the right hon. Member for Salford and Eccles (Hazel Blears). She is heading in the right direction, though not far enough and certainly not fast enough. It is right that we consider the question of accountability in the policing of Britain.

Let us talk first about the commissioners. It is important that they are elected, that there is just one of them, and that they are responsible for planning, as outlined in the Bill. The electorate want an interface with a single person who will speak on their behalf and deal with the issues that arise in everyday policing. My one concern about the disqualification list is whether a recently retired chief constable is the right person to be elected as a commissioner. That needs to be discussed in Committee.

I listened carefully to the shadow Home Secretary. He mentioned Councillor Rob Garnham, the chairman of my police authority in Gloucestershire. Councillor Garnham is well known, probably because he has launched a campaign to save police authorities, not because of the work he did as chairman of the police authority. I believe that the membership and function of police authorities are not properly understood by the electorate. We could test that by asking people who they think is on their police authority. Some people would look rather surprised. They certainly would not be able to provide an answer, because the police authority is just not recognised as the equipment for maintaining police accountability.

It is right to introduce commissioners, and it is right to get rid of police authorities. It is also necessary to improve value for money in our police forces, because police authorities have just not exercised that function terribly well. I heard only today just how many police forces buy the same equipment from the same old firm, without going through proper competitive tendering, driving down the price or saying, "If you don't do a better price, we'll go somewhere else." The process is too sloppy, and it needs to be tightened up.

The Bill includes some other interesting areas, one of which is licensing and the role of local communities and local authorities, because it is important to ensure that decisions are properly enforced locally. That is one of the key things. Local authorities already have a useful set of powers, but the question is about ensuring that they are deployed and that the decisions are made to stick.

The Localism Bill will enhance the role of the community, so we need to link it to the Bill before us. We have to engineer a change not just in powers, but in culture, so that local authorities are keen to make decisions properly, to be ambitious, to work hard for their communities and to be ready to make different decisions from their neighbours' and more interesting decisions for themselves.

On the cost of drink, I am sympathetic to higher prices, because it is important that we deal with binge drinking. One can go to France to buy cheap beer—there it is, at LeClerc, the local supermarket. One can also buy lots of cheap wine, so other countries have cheap drink, but the French, for example, do not have much binge drinking. That is something to be discussed, and we need to look at the causes of binge drinking, because it is a cultural issue.

Andrew Griffiths: My hon. Friend knows that 70% of all alcohol sold in this country is sold through supermarkets. Is not the danger that all the measures before us put extra burdens on pubs, which have to deal with the consequences? The Minister will say that supermarkets can be controlled within the late-night levy, but the problem is clearly not supermarkets selling alcohol after 12 o'clock, but people buying alcohol at 6 o'clock in the evening and drinking it before they go out. The pubs and clubs then have to deal with the consequences. Do we not need to tackle binge drinking and supermarkets' irresponsible pricing if we are to tackle the problem of alcohol-fuelled violence?

Neil Carmichael: That is why I am sympathetic to dealing with the problems in supermarkets. My hon. Friend is right: we do have cheap booze; it is bought in bulk; it is consumed in a bingey way, which does cause huge problems; and we have to address the issue.

We had a debate about pubs last week, but let us repeat the point that we must recognise the pub as a useful, controlled environment in which people can drink.

Robert Halfon: My hon. Friend is making an excellent speech, but following the previous intervention does he not agree that alcohol sold in supermarkets is often bought by people who cannot otherwise afford it? Surely, the only restrictions should therefore be on so-called alcopops and drinks like that.

Neil Carmichael: I thank my hon. Friend and appreciate all the interventions—the two of them, at least—that I have had. He makes a good point about alcopops, and we need to think about that, because we can be too draconian, but I shall make three general points about drinks. First, we have to think about binge drinking and its causes; secondly, we need to look at the role of supermarkets in supplying the drink; and, thirdly, we need to bear in mind the strength of the drink.

Richard Fuller (Bedford) (Con): My hon. Friend is making some very important points about the balance of responsibility for binge drinking. Does he agree that the burden of the balance of responsibility is placed unduly on the pubs and not sufficiently on the supermarkets? Regulation focuses on the pubs and there is insufficient regulation of the supermarkets. Does he think that this is an opportunity to redress that balance?

Neil Carmichael: Funnily enough, my hon. Friend is absolutely right. When one considers the number of regulations and bureaucratic requirements that a pub has to fulfil, we wonder why people want to be landlords. They do so because they enjoy the job and do a great thing for communities, but they are often discouraged from getting on with the job because of all the work that they have to do. My hon. Friend is right about supermarkets. If we consider the abolition of resale price maintenance and the relentless march of supermarkets in number and size over the past few years, we realise that supermarkets are not controlled as much as they should be. We need to consider some sort of ombudsman system to ensure that supermarkets have a more responsible approach to drinking.

The other thing about supermarkets is that they are quite powerful. They are able to control price, and supply and demand. We must recognise that. As a farmer, I remember being told what prices my products would be simply because the group of five supermarkets concerned knew in advance how much they would pay. Let us remember that supermarkets have power and let us be prepared to address the question of binge drinking with that in mind. However, we should also have in mind the restrictions and problems that pubs have been confronting over the past few years.

In summary, let us be confident about the role of the commissioners. Government Members think that they are a great thing and one Labour Member obviously supports that direction of travel. We must accept that our police authorities do not set the world on fire in discussing policing policy, and we must think very carefully about value for money and ensuring that police forces are much more responsive to people's needs. Is it not simply right for local communities to feel that they are being listened to? Sometimes just the act of listening can lift a huge amount of confusion and alarm from local communities, who are often bewildered by other more complicated arrangements for expressing themselves. The Bill is good. It is the right kind of measure and it is consistent with localism and with law and order. Above all, it is consistent with setting a useful agenda for responsible behaviour in our society.

8.48 pm

Keith Vaz (Leicester East) (Lab): The hon. Member for Harlow (Robert Halfon) was absolutely right in saying that the hon. Member for Stroud (Neil Carmichael) was making an excellent speech. He did make an excellent speech—not just in his comments on alcohol-related crime, but in what he said about procurement—and it is a pleasure to follow him. If ever there is a vacancy on the Select Committee on Home Affairs, I hope that he will apply to join us because his speech was really excellent. I will speak very briefly, as all hon. Members must, and will make just four points. I agree with much of the Bill, as many of its provisions reflect the Home Affairs Committee's recommendations in the previous Parliament.

As the House knows, 50% of crime in this country is alcohol related. All hon. Members who have spoken on that subject have talked about the effect that alcohol-related crime has on local communities in their town centres, and the enormous amount of police resources that have to deal with it. The Government have taken a very important step in terms of licensing. I was reassured during my intervention on the Home Secretary when she said that the Government would continue to consider the issue of minimum pricing. Tonight's speeches reflect the fact that there is concern not necessarily about the pubs and clubs in our town centres, but about the supermarkets.

If one goes to Asda or Morrisons—I am not suggesting that hon. Members on either side of the House may choose to do this; the Chamber may be about to empty—one can get 36 cans of lager for £18, or about 50p a can. [HON. MEMBERS: "How do you know?"] I do not drink alcohol, but one of my researchers looked into this over the weekend. There is no doubt that it is cheaper to buy alcohol in supermarkets. As we heard earlier, people get tanked up before they go out because of the very cheap cost of alcohol there. I am glad that the Government are doing something about minimum pricing, and we look forward to seeing what they do.

Andrew Griffiths: Does the right hon. Gentleman agree that when one can go to a supermarket and buy a can of strong lager more cheaply than a can of Coca-Cola, that sends out an extremely damaging message to young people? That is why so many young people are pre-loading. Before they go out for an evening, they drink far too much, and we see the effects on our high streets, in our police cells and in our emergency units.

Keith Vaz: The hon. Gentleman is absolutely right, although some may say that drinking Coca-Cola is almost as bad for young people as drinking alcohol.

My second point is about drugs. The Government are taking absolutely the right powers in the Bill to be able to ban legal highs. Mephedrone—commonly known as meow meow—has been a big problem. The Select Committee heard very eloquent evidence from the mother of a young girl who had died as a result of a legal high. It was clearly taking too long to ban such substances, so we warmly welcome putting into the hands of the Home Secretary the power to be able to bring a statutory instrument before the House to deal with these matters.

I also warmly welcome what has been proposed about Parliament square, especially after what happened last Thursday.

Dr Julian Huppert (Cambridge) (LD): On the subject of drugs, does the right hon. Gentleman share my concern that the Bill has some suggestion of weakening the role of scientific input? I am sure that that is not the Government's intention, but does he agree that it might be helpful to secure that aspect and to ensure that in the case of any temporary bans, there are at least some scientific suggestions before the decision is made?

Keith Vaz: The hon. Gentleman, who is the resident scientist on the Home Affairs Committee, is right to point to the need for evidence-based decisions and the role of science.

My final point concerns police commissioners. Two members of the Select Committee are here—my hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) and the hon. Member for Cambridge (Dr Huppert)—and other Members have spoken about this. There was no agreement in the Committee on whether elected police commissioners were a good idea, and we therefore put it to one side. We were more concerned with producing a report that would be helpful to the House before this debate and would enable Members to look at the implications and practicalities of elected commissioners.

The Committee asked the Government and the House to note three points, the first of which—it was mentioned by the hon. Member for Stroud—was whether it was desirable for a chief constable who was serving in a certain area subsequently to stand for the post of an elected commissioner. We thought that there should be a cooling-off period so that if the chief constable for Leicestershire, for example, wanted to be a commissioner he—it is a man at the moment—could not do so until his whole term of four years had expired. There was unanimity on these points. We hope that the Government will consider this and that others will do so if they are lucky enough to serve on the Bill Committee.

The Select Committee's second point concerned the cost of commissioners. I noted the exchange between those on the Front Benches about special advisers. Of course, I accept what the Policing Minister has said. We need to be very careful about costs, especially those associated with the crime panels. I do not agree that those bodies should be elected, but they should be representative. As the Select Committee said, they should comprise those who have already been elected to represent district areas. It is important that they are as representative of the local community as possible, with the right to appoint independent members to deal with the issue of gender and ethnicity balance, which may be lacking in relation to elected representatives.

The final point relates to operational independence. The hon. Member for Rochester and Strood (Mark Reckless) is not here, but he is the Committee's leading expert on operational independence. The Committee felt that the time had come for a clear definition of where the responsibilities of the commissioner begin, where those of the chief constable end, and where those of the Home Office impact on the new responsibilities. We suggested not a Magna Carta, but a charter or a memorandum to set out those powers and responsibilities. We think that this is an appropriate time for that so that there is clarity. I hope that when hon. Members discuss this matter in Committee, they will find a way forward on such a memorandum of understanding.

Every local authority is different: Leicestershire is different from Bedfordshire, Bedfordshire is different from Cambridgeshire, and Greater Manchester is different from Birmingham. This is not Gotham city—I am sure that you were a fan of Batman and Robin, Mr Deputy Speaker. Commissioner Gordon will not put the light up in the air so that Batman—the equivalent, I suppose, of the chief constable—comes rushing forward to solve the crime. If only it were as easy as that. I am sure that there would be mobile phones in any new series of Batman. The fact is that these are complicated issues.

If we take the party politics out of this matter and analyse the discussions that we have had today, including the contributions of my right hon. Friend the Member for Salford and Eccles (Hazel Blears) and other hon. Members from both sides of the House, I am sure that we can make some progress. I hope that progress can be made in Committee on accountability and on the other important issues that have been mentioned today.

8.57 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to speak in this important debate on a Bill that will fulfil many Conservative manifesto commitments, namely electing police commissioners and tackling the antisocial behaviour that is caused by excessive drinking in some of our towns. It is a pleasure to follow the Chair of the Home Affairs Committee for the second time in a week. I found myself losing concentration thinking how wonderful it would be to be able to summon Batman to tackle the crime in our towns, but I sense that that solution is not possible.

I will start with the less high-profile measures in the Bill and leave police commissioners for the end of my small amount of time. Even areas such as mine, which lack a large city and its attendant problems, face the problems of alcohol-induced antisocial behaviour in the early mornings; people finding back routes home from the pub that take them past people's houses, where they disturb people with their noise; and people's frustration when they are not allowed to object to a licence because a vicinity test does not quite work. The reforms on those matters are greatly to be welcomed.

We must be careful that in the well-meaning attempt to tackle these problems, we do not create a different problem or use the proverbial sledgehammer to crack the nut. An example is the late-night levy, which is an important measure and a great tool for councils. My understanding of the Bill is that if a council such as mine introduces the late-night levy, it has to do so for the whole borough. My seat contains three towns, so all three towns would be included and not just the one where there might be a problem. We could therefore end up imposing a provision that is not required on establishments that are completely responsible and in areas where there is no issue to be tackled. Perhaps that point can be addressed in Committee so that the words achieve what we want them to.

Andrew Griffiths *rose*—

Nigel Mills: I am sorry, time is too limited.

Police commissioners, as the hon. Member for Blackpool North and Cleveleys (Paul Maynard) said, are not something that one reads about and at once thinks, "Oh, marvellous." People do not come to our surgeries and say that they want a police commissioner by May 2012. However, when one works through the ideas and looks at the problems that we are trying to tackle, it is clear that constituents feel divorced from the police. Perhaps unfairly, they think that the police are not accountable to them and are not doing what people want. In comparison, people are usually quite happy with the safer neighbourhood team with which they associate. There is a general view that the police are happily sitting behind desks or racing around in cars, rather than doing policing. That is a real problem that we need to tackle, because we all believe in policing by consent.

[Nigel Mills]

No one is arguing that we do not need some kind of authority or body to hold the police to account. We would not want to leave it to the chief constable to do whatever he felt like. We all accept that there have to be policing priorities. We cannot have police everywhere doing everything on every issue all the time. It is right that when difficult choices have to be made, there is some democratic accountability.

No Member has argued tonight that police authorities are a great success. I imagine that most of my constituents would struggle to name a single member of their police authority, and I do not recall an election leaflet saying, "This guy's been on the police authority for the past four years. Hasn't it been terrible? You should vote him out because of his record on that". It just does not happen.

Nobody appreciates or values what police authorities do, and despite the costly newspaper that appears through my door every so often, nobody really understands what on earth they are for. There is a vacuum, and I cannot imagine that the way to fill it is through each district electing its own commissioner and all of them coming together to try to agree on something. I cannot see that working. The right answer has to be to elect an individual whom the public will recognise. People will understand that that is the person who is there to be accountable and to whom they can complain. That is the person to blame, who can set the strategy that the police force will follow. People will know that if it does not work, they can vote that person out four years later. That has to be the right way forward.

I do have some concerns about the electoral system for police commissioners included in the Bill. It is a bit strange that we will have a referendum next year to decide how we elect our MPs, yet we have jumped almost to the other side of that debate in the Bill. I might have preferred us to use the same electoral system for commissioners as for MPs. That would be far more understandable for the public.

I understand the argument that the method proposed will ensure that we do not end up with an extremist person having a commissioner's power by mistake on a flukily low vote, but frankly, I would trust the people of Derbyshire not to end up in that situation. Those of us who represent a seat where there are British National party councillors can be a little nervous about that, but we can trust the people to elect a responsible person as commissioner. They will see that it is a very important job, and it will be valued, so I do not think people will do unfortunate things with their vote.

I wholeheartedly welcome the Bill. It meets a whole load of the promises that we made at the election, and it will be a great step forward in bringing the police back closer to the people. We should all welcome that wholeheartedly.

9.2 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): It is a pleasure to follow the hon. Member for Amber Valley (Nigel Mills), which is becoming a regular occurrence. We seem to be making quite a habit of it.

I am not sure that I share the hon. Gentleman's views on police commissioners, because I believe, as Conservatives used to believe, in the old maxim, "If it ain't broke, don't fix it". That is why I have real doubts about police commissioners. I invite any Conservative Member to show me a recent inspection report that raised major concerns about the functioning of police authorities. I am not saying that there are not things that we could deal with, but there have not been major concerns.

Even if there is some merit in the idea, I should like to know what the hurry is, especially at a time when we have so many other matters to contend with, such as massive cuts in the police budget, increasingly violent demonstrations, renewed terrorist threats and, I believe, a likely explosion in crime, especially if the Secretary of State of Justice gets his way and we have reduced prison capacity and reduced community justice budgets. I do not see the urgency at all. The Home Secretary said earlier that the money is not coming from police budgets, but surely the question is why she thinks she has any money to fritter away on non-essentials at a time like this.

I can see the reasons for the London arrangements in the Bill, because the Mayor doubles as the commissioner. However, little thought seems to have been given to the situation in other parts of the country that could also have powerful directly elected mayors. What will be the situation there, especially if there is a fundamental disagreement between the mayor and the commissioner? If I read the Bill correctly, a commissioner could well be nearly six months into his or her first term before their first policing plan was signed off. That does not sound like a model of urgency or efficiency. What would happen if a chief constable were profoundly to disagree with elements of the plan? That could be a recipe for stalemate.

We want the public to feel more engaged with the process, but, as I read the Bill, the police and crime commissioner will determine the manner in which their response to any recommendations on or criticism of their plan is published. That obviously means that they could choose to bury the parts to which they do not want to give exposure. Equally, I understand that they will be allowed to publish the plan itself as they see fit. If the idea is to ensure that people become more engaged with this process, I would have thought that the commissioners should be urged to publish the plan in a way that guaranteed maximum public access to it, rather than in the way that they see fit.

As this Bill begins its parliamentary route, we still have no idea what the salaries or pensions of the police and crime commissioners will be. Nor do we know anything about the salaries of the chief executives or the chief finance and accounting officers, but if they are anything like their equivalents in Birmingham, those people are going to be earning salaries greater than that of the Prime Minister, and I am not sure that that would be very smart at a time like this.

I welcome some of the measures in the Bill, particularly those relating to licensing powers. It is a good idea to give communities greater input and to listen to their representations and calls for the review of a licence. I shall be interested to see how that works, however, because my experience of licensing authorities is that they do not always pay anything like sufficient attention to local communities. I also welcome the doubling of the maximum fine for those who persistently sell alcohol to under-18s, and the increase in the period of suspension of the licence for premises involved in that activity. What most people want, however, is for the licence to be permanently revoked from premises that are persistently causing trouble and selling alcohol to under-18s.

I am slightly worried by what might be an unintended consequence of the powers for licensing authorities to impose conditions on a temporary event notice on environmental or health grounds. In a place such as Birmingham, that could result in the local authority tying good, honest charity events up in ridiculous bureaucracy and red tape. That must surely be an unintended consequence of the Bill that we would not wish to see.

I think it was the hon. Member for Stroud (Neil Carmichael) who referred to clause 15, which covers the power to commission the supply of goods from any source. That sounds good on the surface, but what will be the safeguards against illegal favours or monopoly arrangements? That is not the sort of thing I want to see. I also wonder about the powers in clause 16 for the commissioner to appoint persons who are not on the staff of the local policing body. I am sure that that is intended to deal with joint appointments, but it could be a consultants' charter. I notice that clause 22(3) gives the Home Secretary the power to intervene if the budget is set too low and could endanger public safety. If this is such a good Bill, and if we can be so confident about the performance of police and crime commissioners, why would she have to take a power like that? It suggests to me that the Government have their own concerns about this matter.

Much in the Bill requires far more scrutiny in Committee. The Government need to explain a lot to reassure us that, while some of the measure's intentions are good, its practice will not prove wrong.

For me, the centrepiece of the measure is the wrong policy at the wrong time, which, I fear, will lead to the wrong outcomes. The Government's focus should be on preventing a rise in crime, helping victims and safeguarding our communities. It should not be on political experiments that waste money, risk politicising the police and take attention away from the need to bear down constantly on violent offenders and career criminals.

9.11 pm

Robert Halfon (Harlow) (Con): I welcome the Bill and the debate. I have four substantial points to make: where there is direct democracy and policing elsewhere in the world, it works; we must do more to support special constables; we must tell the truth about crime in our statistics; and universal jurisdiction must be reformed so that the Director of Public Prosecutions has control over issuing warrants.

We have rehearsed the arguments about police commissioners this evening. I am a passionate supporter of the policy because I believe that local people should have some say in the policing they want for their neighbourhood. The public want that—they are unhappy with police authorities. Extremist groups have not taken control of the police in north America, where there has been no great backlash against democracy.

I want mainly to speak about special constables. I have long believed that we must do more to support them and make them into a reserve force, like the Territorial Army or reserve firemen. Since 1997, the number of specials has fallen dramatically from 20,000 to fewer than 14,000. I have tabled three early-day motions on the issue—1160, 598 and 520. I also raised it at business questions last Thursday, and welcomed the Leader of the House's response.

I am grateful to the Minister for Policing and Criminal Justice, who previously agreed with me in the House that there is huge untapped potential for recruiting more specials, who are in many ways like neighbourhood watch: a genuinely local force and a vital source of community intelligence.

One suggestion is to allow councils to discount council tax for those who become specials. That would act as an incentive and fit in with the Government's big society proposals. The Association of Chief Police Officers supports the idea and Southampton city council has already trialled a scheme, which offered special constables a rebate rather than an up-front discount on their council tax. However, because of the legal uncertainties, the process took months and was only a one-off. At the end of the debate, I intend to table an amendment to clause 10(3) to make such action much easier for our colleagues in local government.

Under the new duty to co-operate, I would like the Bill to clarify that local authorities are free to co-operate with police forces, if they choose, by exempting special constables from council tax, or, at the very least, offering them a substantial discount. That does not have to be expensive. Essex is lucky to have nearly 700 specials. If each was offered £100 off their council tax bill, it would cost the grand sum of £70,000. Given that the public sector spent £10 billion in Essex last year, £70,000 is not an astronomical sum. I hope that the Minister and colleagues will be able to consider my amendment.

We must tell the truth about crime in our statistics. There is huge bureaucratic and political pressure to say that crime is decreasing. Everyone wants to believe that things are getting better. However, the tragedy is that that translates into immense personal pressure on individual police officers not to record crime because if they go out on the streets and find criminals their statistics look worse and worse. I recently met the Home Secretary and the chief constable of Essex to discuss crime in Harlow, and the chief constable made that point powerfully. One solution is to record two sorts of statistic. An innovative proposal is to use the Australian system and distinguish between crimes that the public have reported and those that the police have discovered.

Imagine if instead of one single box for recording crime, where everything gets jumbled and mixed together, we had two boxes. In the first box we could measure crime reported by the public, police officers and PCSOs, and in the second we would measure crime proactively discovered by the police. If the number of the latter crimes increased, we would not worry unduly, because it would mean that the police were doing their job, patrolling the streets and uncovering the hidden criminals who are disrupting our neighbourhoods.

I sincerely hope that when we consider that reform, we consider how to free our police officers from the immense political pressure to say that crime numbers are coming down. I welcome the reforms to public information, such as crime maps, which the Government are pushing for, and measures such as clause 89, "Crime and disorder strategies", and clause 34, which contains the duty to liaise with local people. However, I hope that the Minister considers the Australian system of recording crime.

Finally, I believe that universal jurisdiction must be reformed so that the Director of Public Prosecutions has control over issuing warrants. Currently, the process

[Robert Halfon]

for private prosecutions is being abused—it is used as a political tool for campaigning and point scoring—but the purpose of our justice system must be justice, not media campaigns. Therefore, I welcome clause 151, which will ensure that universal jurisdiction cases proceed only on the basis of solid evidence.

Mr James Clappison (Hertsmere) (Con): Does my hon. Friend share my concern that there is evidence that the current process was abused in the past, and that it got in the way of peaceful discussions and an understanding of different points of view?

Robert Halfon: My hon. Friend is exactly right. The problem is that the current arrangements have been used as a political tool. A disproportionate number of arrest warrants sought for war crimes are directed at Israeli officials and politicians. It is worth remembering that Israel is a democratic country with the rule of law, and that it has a thriving judiciary and a Supreme Court that often rules against the state in cases with sound legal bases. If we want to promote peace in the middle east, Israel's leaders must be able to come to Britain for talks with the British Government. The current misuse of universal jurisdiction actually hinders reconciliation efforts. That applies not just to Israel—for example, I understand that an arrest warrant was issued against Henry Kissinger.

In conclusion, I am hugely supportive of the Bill. The more democracy, the better. I hope that the Minister and colleagues will consider my amendment on special constables and reforming the flaws in our crime statistics, but I welcome the Government's reforms, especially on universal jurisdiction and elected police commissioners. The Bill is in the same vein as all the Government's policies and can be summed up in four words: power to the people.

9.17 pm

Stephen Lloyd (Eastbourne) (LD): I pay tribute to many who have spoken this evening, including my hon. Friend the Member for Harlow (Robert Halfon), who made a number of rational and intelligent suggestions in respect of the Australian system that I have not heard before, which I commend.

I also pay tribute to the police force in my constituency. I work closely with it, and spoke with the operational commander on Sunday morning. The force is swift, efficient and effective, as it has been for quite a few years, and it is very targeted, so it is no surprise that crime rates have gone down.

I support a charity called Families Fighting for Justice, which came to my attention in a rather unusual way. A constituent of mine sadly suffered two tragedies in her family—her children were brutally murdered—and as she went through that process, she felt that the system supported the perpetrator far more than the victim. I need tell no one in the House how appallingly bleak it must be for any parent to lose a child, but to lose two is beyond compare. Through meeting her I did a lot of research and came across the charity Families Fighting for Justice. I do not agree with everything it wants, but a number of the issues it is interested in and has been pushing concern the flippant guilty pleas that change just as a person gets to court. This Bill could begin to address issues where perpetrators have been perceived as getting away with murder—to coin a phrase—and level the playing field more. Speaking on behalf of Families Fighting for Justice, I think that the Bill is taking a step in the right direction for people such as my constituent who have been through such tragic circumstances.

I fully support the Bill. The key thing is that it will improve police accountability, allow the Home Secretary to react quickly to the constantly evolving criminal narcotics industry and tackle some of the root causes of antisocial behaviour. It covers some broad strategic issues that hon. Members on both sides of the House have tackled, but I would like to concentrate on antisocial behaviour, which might be seen as a relatively minor issue. I come from a family of police officers—an uncle, grandfather and great grandfather were policemen. So there has been a considerable number of policemen in my family. If it is any consolation, they are mostly supporters of the party of my coalition colleagues—but bless them. They are relatives, and I love them dearly.

I have always supported and had a great interest in the police force. I suppose that I might be termed as being on the robust wing of the Liberals. I am aware, as all MPs are from their constituency experience, that antisocial behaviour is appalling, particularly in disadvantaged areas where it is possible for one close or cul-de-sac to contain just one or two families who make life a misery for everyone. I have always been very strong on that. In fact, I was supportive of the broken window policy started in New York by Mayor Giuliani a few years ago through an elected police commissioner. He started dealing with crime at its root causes—for instance, broken windows and graffiti—and coming down on them very hard. As a result, the bigger crimes also began to reduce.

Antisocial behaviour in all its forms, especially at night, can be devastating for those it affects, which is why I am glad that part 2 of the Bill will amend the Licensing Act 2003 to shift the balance of power from pubs and clubs to local authorities and, more importantly, local communities. As is well known, a significant proportion of antisocial behaviour has alcohol at its root. I was stopped yesterday by a constituent in Eastbourne, which I hasten to add is a paragon of peace—it is also the sunniest town in England, so hon. Members should visit it in their holidays and spend all their money there. Over the weekend, I was walking around my constituency, talking, meeting and listening to people—as we all do—when I was stopped by a chap who works as a street pastor. He goes out late at night working with others, helping people and being there for young people, old people and middle-aged people in case of trouble. He told me that he once came across a young woman of about 16 or 17—lord knows how she got hold of the alcohol—who was comatose. Fortuitously, the ambulance arrived within 20 minutes or so, but this man, who is an experienced older man and former pastor, said, "Stephen, frankly, if the ambulance had been another 30 minutes, if there had been a hold-up, she probably would have died."

Henry Smith (Crawley) (Con): My hon. Friend makes a powerful point. Not so long ago, I went on patrol with my local police in Crawley on a Friday night and into

the early hours of Saturday morning. I was astounded to discover that, I would say, nine out of 10 of the incidents that we responded to were alcohol related.

Stephen Lloyd: My hon. Friend is absolutely right, and I thank him for his intervention. The overall statistics show that well over 50% of violent crimes involve alcohol. It is absolutely shocking. A number of colleagues talked about the cheap price of alcohol. The right hon. Member for Leicester East (Keith Vaz) declared that he did not drink cheap drinks or what-have-you—I am sure that he does not, and neither do I for that matter—but there is one cider in particular called White Lightning. I know of shops in Eastbourne where, sadly, it is used by young and old people specifically to get absolutely blitzed, and I am sure that there are similar shops in every town in the constituency. Given the damage that White Lightning causes, and especially because of its price, it is commendable that the Bill is beginning to look at such issues seriously.

A key part of this Bill comes back to antisocial behaviour. The more that we can give the power back to the people—back to the local authority—to challenge those establishments where alcohol is freely served and abused, the more that life will be made easier for many constituents around the country. I go back to the fact that it is often the smaller, perhaps less notorious aspects of crime that can cause so much damage. Antisocial behaviour is one of those, and it is clearly linked to alcohol. The changes in licensing will make things more efficient and, crucially, will give power back to the people. Those provisions are highly sensible, and I commend the Bill to the House.

9.27 pm

Michael Ellis (Northampton North) (Con): I am delighted to follow the speakers who have recently been addressing the House. I completely support and commend the Bill. I intend to refer in the few minutes available to a couple of its clauses, but it strikes me very much that the Bill as a whole tremendously empowers people in our country, drawing power away from the state. As such, it is to be highly commended, and I congratulate the Minister on that.

The handful of Opposition speakers—and it is a small number—who have spoken on the issue of universal jurisdiction and the safeguard in the Bill have confirmed why it is so necessary to improve the law on universal jurisdiction as it stands. This issue is not just about Israel: the Chinese Trade Minister has apparently been threatened with arrest because of the current provision, as has Henry Kissinger. There have been difficulties in Europe with Donald Rumsfeld's freedom of movement, and I believe that White House staffers have been threatened with arrest in Spain because of the principle of universal jurisdiction. I am given to understand that even the former Prime Minister Tony Blair has had a large number of petitions levied against him in the International Criminal Court, so this issue is not unique to the United Kingdom or Israel. It is an area that has needed reform for some considerable time.

The principle of amending the law on universal jurisdiction is in no way about stifling meritorious complaints. However, where jurisdiction is very wide, as it currently is in this country, it will tend to act as a magnet for complaints that are rooted in political vendettas, regardless of their merit. Universal jurisdiction has tended to mean that high-level consultations and meetings have been disrupted, and at times even cancelled. London has a long-established and important reputation as an effective venue for warring parties around the world—indeed, it has a cherished ability to act as such, serving as a diplomatic hot spot.

Henry Smith: My hon. Friend makes an important point. Ironically, universal jurisdiction is getting in the way of diplomatic efforts to engender peace and in the way of peace talks and discussions, particularly in this international venue that is London. The Bill's provisions are thus absolutely correct.

Michael Ellis: I am grateful to my hon. Friend for that intervention. There have been literally dozens of examples in our recent history where London has been a centre for the negotiation and conclusion of important international agreements between warring factions, and we are in danger of losing that ability because universal jurisdiction has been misused, misapplied and inappropriately applied as a means of pursuing political vendettas. All that is required for the proposed changes is the consent of the Director of Public Prosecutions—it is, incidentally, already required in certain other routine prosecutions—which would enable the system to withstand attempts to exploit the law for settling political scores. I very much welcome that provision.

Other important provisions are designed to deal with the encampment on Parliament square. The Prime Minister has said that he would like to see that encampment done away with; the Bill will achieve that, although it will be some months before Royal Assent is granted. Having looked at the existing laws, I take the view that law is already available on the criminal statute book, which could be applied to remove the encampment in time for the royal wedding in April.

Members will be fascinated to know that I have in mind the Vagrancy Act 1824. As Members will obviously know, section 4(2) of the 1824 Act says:

> "Every person wandering abroad and lodging in any barn or outhouse, or in any deserted or unoccupied building, or in the open air, or under a tent, or in any cart or wagon, and not giving a good account of himself or herself... commits an offence."

Members might be interested to know that this Act is not as obsolete as its antiquity would tend to imply. It is, in fact, a piece of legislation that is used regularly around the country. I myself have prosecuted people for this offence in relatively recent times, in my former guise as a member of the Bar.

Claire Perry (Devizes) (Con): I thought my hon. Friend was going to say that he had been moved on under the terms of the Act, so I was grateful that he finished his sentence. I am delighted that he has found a potential wrinkle to help us to clear the encampment outside this building, which I think disgraces the motherhood of democracy. Does he agree that although we all share the commitment to freedom of speech and the right to protest, this is simply an eyesore that we have tolerated for far too long? The provisions on this issue are important and should be welcomed.

Michael Ellis: I very much agree. Of course we all recognise and cherish the right of people to protest in this country; we have an extremely liberal democracy that allows and, indeed, encourages it. It has however, reached a point of utter nonsense in Parliament square gardens.

The Vagrancy Act 1824 can be used to remove these people because they are either

"in the open air, or under a tent",

and committing an offence under that provision. The maximum penalty for breaching it is a fine at level 1 of the standard scale, which is a maximum of £200. However, Members will be interested to know that if a person is prosecuted a second time for this offence, they can then be classified as "an incorrigible rogue". The provision then allows the magistrates to remit the matter to the Crown court for sentence. Whereas on first prosecution the maximum sentence is a £200 fine, on second conviction for the same offence the maximum penalty would be up to 12 months' imprisonment. That might well act as a disincentive to those encamping themselves on Parliament square, encouraging them to move on. The only requirements for prosecution are that the people concerned have been given an opportunity to take shelter elsewhere and have not availed themselves of that opportunity; that they have persistently ignored reasonably accessible alternatives; and that their remaining in situ would have offensive consequences or those consequences would appear likely to occur. I think that the House could well deal with the encampment by means of a prosecution before the Bill is given Royal Assent.

I have dealt with two clauses. I have only two minutes in which to cover several hundred more, but let me say a little about the proposal relating to police commissioners. It is a fundamentally democratic proposal, which I strongly support. Only a tiny number of people currently know that police authorities even exist.

Andrew Bridgen: Does my hon. Friend agree that in this country we police with consent—the consent of the people—and that there is no better way of securing the consent of the people than a democratic election?

Michael Ellis: My hon. Friend is absolutely right. It has been quite strange to observe Opposition members baulking at the suggestion that police and crime commissioners should be elected. One would have expected them to support the democratic process.

Karl Turner: Will the hon. Gentleman give way?

Michael Ellis: By all means. I have a minute left.

Karl Turner: Does the hon. Gentleman not accept that the proposal politicises the police?

Michael Ellis: I do not accept that at all. I remind the hon. Gentleman that the last Prime Minister but one, Tony Blair, summoned chief constables from around the country and put them under pressure to deal with knife crime. That was a form of politicisation of the police, and it is not something that police commissioners will be doing. Democratically electing police commissioners will, in fact, legitimise them.

I, for one, support all the provisions in the Bill, and commend it as an excellent and honourable measure that will increase the democratic process.

9.37 pm

Vernon Coaker (Gedling) (Lab): We have had an interesting and wide-ranging debate to which many Members on both sides of the House have contributed. At the heart of the Bill is disagreement about whether the reforms will lead to politicisation. Government Members may assert that they will not, but there is real worry among not just Members of Parliament but many outside organisations.

The hon. Members for Gosport (Caroline Dinenage), for Blackpool North and Cleveleys (Paul Maynard), for Stroud (Neil Carmichael) and for Amber Valley (Nigel Mills), as well as my right hon. Friend the Member for Leicester East (Keith Vaz), discussed the measures to deal with alcohol. Many of us welcome those measures. Let me say to the Home Secretary and her Ministers that I consider it important to enforce not only the new laws in the Bill, but the existing laws.

Some of the problems relating to alcohol, and in particular to binge drinking, are cultural. There is not just one homogeneous problem; there is the problem of binge drinking, the problem of the purchase of alcohol on estates by under-age drinkers and the problem of alcoholism, which usually involves older drinkers. We need to understand that there are three separate problems, each of which requires a separate solution.

My right hon. Friend the Member for Leicester East also mentioned the measures relating to drugs, which I welcome. Obviously, we will have to consider their practical implications in Committee, but this is certainly a sensible and realistic attempt to deal with what we all recognise to be a real problem.

Although we are in favour of universal jurisdiction, I repeat to my right hon. Friends the Members for Manchester, Gorton (Sir Gerald Kaufman) and for Cynon Valley (Ann Clwyd) something that my right hon. Friend the shadow Home Secretary said: we will look at its implications in Committee.

My hon. Friends the Members for Birmingham, Selly Oak (Steve McCabe) and for Kingston upon Hull East (Karl Turner) talked about the issue of commissioners, which is at the heart of the Bill. We all accept that accountability is important and necessary, but the question is: what is the right way of ensuring that the police are held accountable? The Bill proposes that the right way is through a single individual on a force-wide basis. My two hon. Friends and my right hon. Friend the shadow Home Secretary pointed out some of the difficulties in that, as I will too.

My right hon. Friend the Member for Salford and Eccles (Hazel Blears) pointed out that the Bill's proposal for a single individual accountable at force-wide level does not address the real accountability issues, which, as most Members will know, are at neighbourhood, street and ward level. People come to me about drugs problems in the pub car park or a gang of youths at the end of the street; they do not come to me about the force's counter-terrorism policy, or come to me and say the force does not have the right strategic approach to serious and organised crime. I agree with my right hon. Friend that the accountability gap people often feel and

the confidence that is then sometimes under threat are at a neighbourhood and street level, and I do not see how a single force commissioner can deal with that.

Several hon. Members *rose—*

Vernon Coaker: I will not give way at present, as I want to make a point about an issue the hon. Member for Eastbourne (Stephen Lloyd) raised. He talked about the need to tackle antisocial behaviour, and we all agree with that. People ask why the crime statistics are sometimes not believed. As Bill Bratton said to the Select Committee on Home Affairs, unless antisocial behaviour—some of the minor crimes which are nevertheless real issues—is dealt with, people sometimes do not believe the broader crime statistics. That highlights the importance of having somebody at the local or neighbourhood level who—

Several hon. Members *rose—*

Vernon Coaker: Let me finish this point. That highlights the importance of having somebody at the local or neighbourhood level who is accountable for dealing with such matters. That is the really important level of accountability.

Several hon. Members *rose—*

Vernon Coaker: I am going to take one intervention. As some of the Members on their feet have already been granted interventions, I will give way to the hon. Member for Hendon (Mr Offord).

Mr Offord: A central tenet of the Local Government Act 2000 was the introduction of greater accountability and transparency in the decision-making process and the introduction of directly elected mayors, so why does the hon. Gentleman not support the same rationale in this Bill?

Vernon Coaker: Because I did not think they were a very good idea then. The hon. Gentleman has to deal with this: the accountability his party seeks to put in place through this Bill is at a force-wide level, and I am saying it is the wrong level of accountability.

Several hon. Members *rose—*

Vernon Coaker: I cannot give way as I have to finish in four or five minutes. Those Members wishing to intervene can argue this point in more detail in Committee, as they do not have to be Committee members to do so.

The Bill makes a number of proposals on issues such as drugs, alcohol and protests around Parliament, but at its core is police reform and the proposal for elected police commissioners and police and crime panels. At the same time as we have massive cuts to policing that will mean thousands fewer police in every single area of the country, the Government are subjecting police to an unwanted organisational upheaval. Of course, not only are police officers under threat but police staff in the back office and police community support officers will go.

Robert Halfon: Will the hon. Gentleman give way?

Vernon Coaker: I cannot. I would normally, but I have not got time. I apologise to the hon. Gentleman.

As we have seen from the police grant reports today, every single police force will be under huge financial pressure, yet the Government want to spend more than £100 million on these commissioners, equivalent to the cost of 600 full-time officers. This organisational change will happen in May 2012, just before the Olympics, and in 2012-13, the year of the biggest cuts.

Who wants this? The Minister must tell us who is demanding these so-called reforms. We have seen in *The Guardian* today that the APA is completely opposed to the reforms—the letter is from Conservative, Independent, Labour and Liberal Democrat members. Liberty is opposed to them, so are the LGA and the police. We have a so-called listening Government who are, frankly, telling people that they know best.

The Minister has failed to answer the questions. If the commissioner is elected based on a particular proposal, who will decide? The elected commissioner or the chief constable? If I am an elected commissioner and I promise that every police officer will be visible and on the street, but the chief constable says, "No, I want some for domestic violence, for cross-border organised crime, for tackling economic fraud and for child protection," who will decide? As my right hon. Friend the Member for Leicester East said, the Government have a duty to be clearer about where that dividing line will occur and about what operational independence and operational responsibility mean. We have no clarity about that in the Bill.

Mark Reckless: Will the hon. Gentleman give way?

Vernon Coaker: I cannot; I have not got time.

I have dealt with subject of the wrong level of accountability, and it is also unclear how police and crime panels are to work. Are they to hold commissioners to account or to work with them to deliver what they want? They have a power of veto in only two areas—namely the precept, or budget, and the appointment of the chief constables—but they must have a three-quarters majority for that veto to be effective. That is a greater majority than the Government have passed for the Dissolution of Parliament. A three-quarters majority would mean that virtually every person on the police and crime panel would have to agree for that veto to happen.

In conclusion, the political independence of the police is as important in a democracy as the independence of the courts. Political views and opinions may ebb and flow, but the police remain. That allows every individual, whatever their race, religion or politics, to feel protected. A single person who is politically motivated elected to oversee the police will make it increasingly difficult to ensure that this political independence is maintained. For that reason, above all, the Government must think again.

9.47 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I apologise to the House for the fact that I had briefly to leave the debate. I was attending and addressing a meeting in the House of London members of the Police Superintendents Association, as were Opposition Front Benchers.

[Nick Herbert]

It has clearly largely been a good debate and I welcome the constructive comments that have been made and that have been reported to me. I shall attempt to respond to as many as I can either now or, if appropriate, later. The Chairman of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), mentioned his report and we are paying the closest attention to its recommendations, which we think are very considered. Like the Opposition Front-Bench spokesmen, he mentioned the importance of operational independence. We all agree about that and we all want to protect it. The Chairman of the Committee suggested that a memorandum of understanding might be the means by which that could be achieved. That is a good idea and the Government have already said that we will sit down with ACPO once the Bill is enacted and agree an extra-statutory protocol. I am sure that we can discuss these issues as the Bill makes progress—that will set out the terms of agreement to ensure that operational independence is protected. There is agreement between us and ACPO—it is important that the Opposition understand this—that we should not seek to define operational independence in the Bill. That is a matter for case law.

My hon. Friend the Member for Carshalton and Wallington (Tom Brake) made a number of important points and I shall respond in detail at the appropriate time, but let me deal with two of them now. We will be engaging with the Electoral Commission on its recommendations. He asked whether the strategic policing requirement could cover issues such as business crime. That is important, but the aim of the requirement is to cover issues of national importance on which co-ordination is required, such as counter-terrorism and serious organised crime, to ensure that elected police and crime commissioners and chief constables have regard to those cross-border issues. I am not sure whether that would be appropriate for the issues he raised, but it is worth discussing.

Mark Reckless: On the question of operational independence, one could get the impression from Opposition Members that police forces operate and are directed in a political vacuum. Surely, it is entirely appropriate that police authorities should determine whether Tasers, for example, should be used. None of us would expect police to start using water cannon and that sort of operational tactic without political permission and oversight.

Nick Herbert: I strongly agree and the Home Secretary said exactly the same thing today. Such tactics are a matter for the operational responsibility of the police, but such major decisions have to be agreed with the police authorities that hold them to account locally.

My hon. Friends the Members for Stroud (Neil Carmichael) and for Blackpool North and Cleveleys (Paul Maynard) made good speeches supporting our plans to toughen alcohol licensing. I welcome the Opposition's support for those measures, but what a far cry it is from the claims of the right hon. Member for Dulwich and West Norwood (Tessa Jowell) that Labour's 24-hour drinking laws were about

"enriching the quality of people's lives."

How naive that was. We have seen the result of those laws—violence and disorder in our city and town centres. So, Labour now repudiates its ill-judged experiment with the so-called café culture, but it is clearly going to oppose the measures on police reform for opposition's sake. That is not the position of the former Minister with responsibility for policing, the right hon. Member for Salford and Eccles (Hazel Blears), however. Based on the notes I have seen, I think she made a thoughtful speech on the importance of accountability, although we may differ on the particular.

The shadow Home Secretary's arguments against our proposals for police and crime commissioners are deeply unconvincing and he keeps getting things wrong. He attacked our statement on police funding today and got the numbers wrong. Last week, he said that the inspectorate of constabulary's figures were "corrupt and erroneous", but was then forced to retract those words. Today, he told the House that police and crime commissioners would have the power "to direct" policing, but that is simply wrong. Chief constables will retain control and direction of their forces, as it says in clause 2, which he should read. We are determined to protect the operational independence of chief constables. Police and crime commissioners will be able to set the policing plan with the agreement of the chief constable but they will not direct policing and nor should they.

The shadow Home Secretary said that the commissioners will be elected solely to run policing, but that will not be their sole job. They will be police and crime commissioners with wider powers and devolved budgets from the Home Office to fight crime and engage in crime prevention with the local community. If the right hon. Gentleman has such a good case, why does he need to invent objections to the Bill? He continues to assert that the commissioners will appoint political advisers, but we have repeatedly made it clear that we will not allow that. We do not want to politicise policing and we do not want spin in policing. We will not take any lectures about political advisers and spin from the friend of McBride and Whelan.

Ed Balls: I do not want to get into personal invective or to drag the important issue of policing down to the gutter. I have been told by a number of people who attended the meeting of the Association of Police Authorities at which the Minister spoke that he said that, if he were elected as a police and crime commissioner, the first decision he would take would be to appoint a political adviser. Was everyone else at that meeting mistaken or has he forgotten attending the event and saying those things?

Nick Herbert: The right hon. Gentleman is wrong and our intention is clear—we keep repeating it: we do not want political advisers and we have legislated for that in the Bill.

The Labour party complains about the cost of the commissioners and that complaint was repeated by the hon. Member for Birmingham, Selly Oak (Steve McCabe). We have made it quite clear that commissioners must cost no more than the police authorities they replace. Yes, there will be the cost of holding the elections once every four years—an average £12.5 million a year. That is less than 0.1% of police spend, and the money will not come from force budgets anyway.

Ed Balls: Will the Minister give way?

Nick Herbert: Labour's manifesto at the last election proposed referendums five times over—on the alternative vote, on reform of the other place, on mayors, on further powers for the Welsh Assembly and on the euro. Did Labour Members advance arguments against those democratic pledges on the grounds that they would cost money? Of course not. As my hon. Friend the Member for Cannock Chase (Mr Burley) pointed out, of course there is a cost to running elections. Police authorities do not have that cost because they are not democratic. That is exactly what we want to fix.

Hazel Blears: Will the Minister give way?

Nick Herbert: For all Labour's objections, one could be forgiven for forgetting that the previous Government twice proposed to democratise police authorities. So what happened? They backed down, twice. That is the difference between the previous Government and the coalition. The Opposition retreated from reform at the first whiff of opposition and we are determined to see it through. [Hon. Members: "Give way!"]

One thing is clear. Those on the Opposition Front Bench may be opportunistically opposing this reform, but we know what they really think about the need for it.

"Only direct election, based on geographic constituencies, will deliver the strong connection to the public which is critical."

Does that sound familiar to the hon. Member for Gedling (Vernon Coaker)? It should do. He said it just two years ago.

Is that too long ago? Let us look at what the right hon. Member for Morley and Outwood (Ed Balls) said just two weeks ago. He told the Home Affairs Committee that "the present accountability of police authorities was not optimal." What a masterpiece of understatement. If police authorities are sub-optimal, what proposals does he have for reform? None. He is silent on the issue. Today the right hon. Gentleman admitted that "there is more we can do to deepen accountability at force level." What? He will not say. He is against reform of the governance of policing, but he is for it, just as he is against cuts while admitting that he would cut police budgets by more than £1 million a year. Apparently these can be delivered without losing a single police officer. That is what he said today.

Ed Balls *rose*—

Nick Herbert: On point after point, Labour Members get it wrong. They say that the constituencies—

Hon. Members: Give way!

Mr Speaker: Order. The Minister is clearly not giving way.

Nick Herbert: Labour Members say that the constituencies will be too big, yet the largest constituency outside London will have 2.5 million electors, and the capital has more than 5.5 million. Londoners like the clear line of accountability that the Mayor provides. The Opposition run scare stories about extremists being elected. Did it happen in London? No. Fortunately, Ken Livingstone was replaced by Boris Johnson.

At the heart of objections to the Bill lies a deeply worrying philosophy. It is the view that one cannot trust the people. Heaven forfend that they might elect someone who represents their views. Those are the same disreputable arguments that were mounted against enfranchising the general public and women. The same attitude pervades opposition to the Bill—that one cannot trust the electorate. It is as undemocratic as it is elitist to argue that the public should have no say, and that our public services would be run so much better by people who are unaccountable and who know better than them.

Policing is a monopoly service and people cannot choose their force. This public service has to answer to someone. Is it to be bureaucratic accountability to Whitehall or local accountability to the people? We believe in trusting people and returning power and responsibility to communities. We think that local people should have a say over how their area is policed. As my hon. Friend the Member for Harlow (Robert Halfon) said, we think that local people should have power so that they can do something when problem drinking blights their town and city centres. We are determined to rebuild the link between the people and the police forces who serve them. That is why these reforms are right for the people, right for the police and right for the times. I commend the Bill to the House.

Question put, That the amendment be made.

The House divided: Ayes 230, Noes 321.

Division No. 152] **[9.59 pm**

AYES

Abbott, Ms Diane	Chapman, Mrs Jenny
Ainsworth, rh Mr Bob	Clark, Katy
Alexander, rh Mr Douglas	Clarke, rh Mr Tom
Alexander, Heidi	Clwyd, rh Ann
Ali, Rushanara	Coaker, Vernon
Anderson, Mr David	Coffey, Ann
Austin, Ian	Connarty, Michael
Bailey, Mr Adrian	Cooper, Rosie
Bain, Mr William	Cooper, rh Yvette
Balls, rh Ed	Corbyn, Jeremy
Banks, Gordon	Crausby, Mr David
Barron, rh Mr Kevin	Creagh, Mary
Beckett, rh Margaret	Cruddas, Jon
Begg, Miss Anne	Cryer, John
Bell, Sir Stuart	Cunningham, Alex
Benn, rh Hilary	Cunningham, Mr Jim
Benton, Mr Joe	Cunningham, Tony
Berger, Luciana	Curran, Margaret
Betts, Mr Clive	Dakin, Nic
Blackman-Woods, Roberta	Danczuk, Simon
Blears, rh Hazel	David, Mr Wayne
Blenkinsop, Tom	Davidson, Mr Ian
Blomfield, Paul	Davies, Geraint
Blunkett, rh Mr David	De Piero, Gloria
Bradshaw, rh Mr Ben	Denham, rh Mr John
Brennan, Kevin	Dobbin, Jim
Brown, Lyn	Dobson, rh Frank
Brown, rh Mr Nicholas	Docherty, Thomas
Brown, Mr Russell	Donohoe, Mr Brian H
Bryant, Chris	Doran, Mr Frank
Buck, Ms Karen	Dowd, Jim
Burden, Richard	Doyle, Gemma
Byrne, rh Mr Liam	Dromey, Jack
Cairns, David	Dugher, Michael
Campbell, Mr Alan	Durkan, Mark
Campbell, Mr Ronnie	Eagle, Ms Angela
Caton, Martin	Eagle, Maria

Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Ilsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Ayes:
Angela Smith and Mark Hendrick

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan

Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Mark Hunter

Question accordingly negatived.

Question put forthwith (Standing Order No. 62.2), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

POLICE REFORM AND SOCIAL RESPONSIBILITY BILL (PROGRAMME)

Motion made, and Question put forthwith, (Standing Order No. 83A(7)),

That the following provisions shall apply to the Police Reform and Social Responsibility Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 17 February 2011.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Angela Watkinson.)*

The House divided: Ayes 320, Noes 230.

Division No. 153] **[10.13 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Therese
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John

Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Bill Wiggin and Mark Hunter

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M *(Easington)*
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David

Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Noes:
Mark Tami and
Angela Smith

Question accordingly agreed to.

POLICE REFORM AND SOCIAL RESPONSIBILITY BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Police Reform and Social Responsibility Bill, it is expedient to authorise

(1) the payment out of money provided by Parliament of

(a) any expenditure incurred under or by virtue of the Act by a Minister of the Crown, and

(b) any increase attributable to the Act in the sums payable under or by virtue of any other Act out of money so provided, and

(2) the payment out of the Consolidated Fund of expenditure of the Secretary of State in making payments to returning officers for charges in respect of services rendered, or expenses incurred, by such officers for or in connection with elections of police and crime commissioners.

The House divided: Ayes 304, Noes 225.

Division No. 154] **[10.27 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Therese
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Holloboone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher

Poulter, Dr Daniel
Pritchard, Mark
Pugh, Dr John
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Bill Wiggin and
Mr Philip Dunne

NOES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston;*
Morris, Grahame M. *(Easington)*
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis

Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Noes:
Angela Smith and Mark Tami

Question accordingly agreed to.

Schools Admissions Policies

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

10.39 pm

Mark Lancaster (Milton Keynes North) (Con): Tonight, I shall try to find the balance in schools admissions between the right of schools to set their admissions policy and the right of parents to get their children into a local school. In Milton Keynes, a growing city with many in-year admissions, that is no mean feat. Hopefully we can find a resolution tonight, but it is fair to say that for many, school admissions is a sore subject. It preoccupies parents, has the power to inflate house prices and has even been the stuff of TV drama.

In Milton Keynes, schools admissions has gained renewed controversy since changes were made to the allocation process. The previous Government said that those changes would ensure fairness, but combined with other factors, they have had the unintended consequence of leaving scores of children out of education or having to travel miles across the city to get to school. The delays and distances endured by many of my young constituents are simply not fair.

From September, local authorities were charged with co-ordinating all applications for foundation schools and academies for those applying outside the yearly round. Previously, these in-year applications, usually from people moving into the city, were submitted directly to schools. Now councils must match each child's three preferences with the schools' admissions criteria and capacity, and allocate a place. Nationally, councils have reported concerns to the Office of the Schools Adjudicator about this new role. Pressure group Parents Outloud even championed the previous system, and admissions staff at schools have bemoaned the new layer of bureaucracy. Locally, the impact of the change has been compounded by the fact that all our 12 state secondary schools are foundation schools, with one voluntary aided and one academy. Milton Keynes council only has a team of five to deal with its new responsibility.

Since September, I have been inundated with complaints from parents about delays in the process, as well as about what has been offered. Children are now sitting at home for weeks while the council finds them a place, and then further weeks for the school to induct them. When places are offered, many of them are on the other side of the city.

Iain Stewart (Milton Keynes South) (Con): My hon. Friend is raising an important topic. Is he aware that on my side of Milton Keynes I have received a similar number of complaints, and that some of the complaints about admissions relate to primary schools as well as secondary schools?

Mark Lancaster: I am aware of the problem, because it is the same in Milton Keynes North. However, I am also aware of my hon. Friend's sterling efforts in getting many of his constituents into school. I congratulate him on that.

This is a particularly timely debate. The Government are reviewing the school admissions framework and the school admissions code, with a view to making it simpler and fairer. A White Paper on "The Importance of

Teaching" has just been published, putting the onus of fair access to schools on local authorities. Fairness is the driving force of the White Paper. I want therefore to outline the situation in Milton Keynes and consider how we can make admissions fairer for schools, authorities, parents and, most importantly, pupils.

As I have said, many of the complaints I have received relate to the delays in council allocation and school induction. This year, Milton Keynes council received 327 secondary school in-year applications. This influx is to be expected in our city, which is an area of rapid growth. The Department for Education—or the Department for Children, Schools and Families, as it was then—recommended that places be allocated within five school days. Milton Keynes council aims for a turnaround of 15 days. Owing to this year's influx, however, parents have seen a reported six-week wait for their child's three preferences to be processed. Then, once a place is allocated and accepted, there is a further delay as the school conducts its induction arrangements.

Jason McCartney (Colne Valley) (Con): I congratulate my hon. Friend on securing this important debate. In September and October, I was inundated with problems from parents, particularly in the Holme Valley, Honley and Brockholes, with over-subscribed schools. Does my hon. Friend agree that consistency in admissions policy would be particularly helpful, especially when it comes to siblings being able to go to the same school?

Mark Lancaster: That is absolutely right. My hon. Friend makes a powerful point that I will come on to.

We can all agree that the last thing we want is children out of school. In fact, parents could be prosecuted for keeping their children at home for such lengths of time. However, according to a *Mail on Sunday* investigation in September, bureaucracy was barring up to 15,000 primary and secondary pupils from the classroom nationally. Each school calculates its own published admissions number—known as a PAN—every year. This determines the number of pupils that can be admitted to each year group. However, such is our shortage of places that 120 of this year's 327 secondary school applicants did not get any of their three choices.

One school is bearing the brunt of the city's scarcity of school places. The Radcliffe school in Wolverton does not fill its PAN, so when the council cannot give in-year applicants any of their three preferences, it allocates them to the Radcliffe, seemingly regardless of where the children live in our ever-expanding city. Head teacher John O'Donnell is currently dealing with an influx of 140 allocations. A staggering 119 are from children who are out of area, many of whom will have to be bussed or potentially taxied in from outside. Understandably for students who are out of catchment, Radcliffe was not one of their three preferences. The council is fulfilling its duty—every applicant is being offered a school place—but this is turning the Radcliffe into a de facto community school. Whereas 5% of its intake came from outside the catchment area previously, that has suddenly increased to 10%, and is set to rise further.

That volume of allocations has taken its toll. Mr O'Donnell is devoting two days a week to dealing with the backlog. His induction arrangements involve meeting the pupils and families to determine their requirements, be they special educational needs, academic courses or even language—after all, 37 mother tongues are spoken at the school. The induction process has been criticised, but it is understandable that Mr O'Donnell wants to get his pupils off to the best start. His school finally broke out of special measures in October 2009, after a well-deserved record round of GCSE results, but do we want him to put children straight into lessons that are not appropriate just to get them into school, or do we want him to continue raising standards? Such is the backlog that pupils are now being allocated places at the Radcliffe, where they will not be able to start for months. The result is scores of children sitting at home—not studying, just waiting.

Why has the Radcliffe seen such an influx? It can be partly explained by the creation of the Milton Keynes academy—a fantastic new facility, and the city's first—which opened in September 2009. As I told the Secretary of State after he delivered his White Paper on 24 November, the academy's PAN is lower than that of its predecessor, the Sir Frank Markham community school. That has displaced people from the academy's catchment area, who are instead being given places at the Radcliffe. For example, Mr O'Donnell is for the first time seeing applicants from the Netherfield estate, which is 1 mile from the academy, but nearly 7 miles from the Radcliffe. In fact, many of the Radcliffe's new intake of 119 are from the academy's catchment area.

It is worth taking a moment to consider why it is so important for children to go to a school close to home. Once they are 18, many seem to pick a university that gets them as far away as possible—or a continent that takes them even further afield, on their gap year—but most school kids just want to walk to school with their mates. The national Walk to School campaign highlights why travelling on foot is good for morale and health, taking congestion off our roads and promoting a more cohesive society.

James Wharton (Stockton South) (Con): I congratulate my hon. Friend on securing this excellent debate and campaigning so vigorously on behalf of school pupils across Milton Keynes. I am sure that he will be aware that there is a problem right across the country. In Ingleby Barwick in my constituency, a local group called BO2SS—Barwick's Own 2nd Secondary School—has come together to put forward a free school application specifically in order to allow local pupils to attend a school within walking distance in their community. It is important to put on record the fact that although the problem is significant in Milton Keynes, it needs to be addressed across the nation as a whole.

Mark Lancaster: I agree with my hon. Friend. Indeed, I would argue that a good basis for the big society is schooling children in their own communities.

With Mr O'Donnell's out-of-catchment intake, he is seeing a massive decrease in those attending after-school activities. Engagement has already taken a hit because many pupils have to change buses in central Milton Keynes. There, they are drawn to shops and attractions, rather than continuing with their journeys, which sometimes involve catching two or three buses. We have to think about what sort of society we want to create. Do we want our children to become juvenile commuters, reading bus timetables rather than textbooks?

[Mark Lancaster]

The problem is not confined to the two aforementioned schools. For example, the Mumford family moved to a house in Newport Pagnell that overlooks a secondary school, Ousedale. Two of their daughters were offered places at the school, but not in a classroom yards from their home—rather, at the campus in the next town, Olney, which is more than 8 miles away and not on a bus route. They were alternatively offered places at the Radcliffe school, 6.5 miles away, but told that they would not be able to start until November. After weeks out of education, they face a daily commute when there is already a school on their doorstep. Likewise, a mother and her son moved to Olney, very near the town's Ousedale campus. The son was instead offered a place at the Radcliffe school, 11 miles away. As there is no bus service that would get him to school, he was offered a council-funded taxi to take him there and back every day. Fortunately, after an intervention from my caseworker and persistence from his mother, his appeal was successful and he has happily started at his local school, without having to use a taxi, that would have cost the council £2,875 a year.

We are talking about fairness, but what is happening is unfair on children whose parents are not able, for whatever reason, to fight their case and push for appeals. It is unfair on the children whose parents cannot provide them with transport if they have to travel several miles to school or support them if they are stuck out of education for a period of time. Indeed, schools can admit above their PAN in exceptional circumstances if children fall into the categories stipulated by the fair access protocol. This protocol also applies to those who have been out of school for more than one term or those whose parents have been unable to find them a place after moving to the area. However, Milton Keynes council resorted to this protocol on only four occasions last year and not at all this year.

After my prolonged campaign for "I before E" infrastructure before expansion—and the coalition Government's commitment to it, I am confident that our rate of school building will keep up with our population growth. After all, Milton Keynes is the fifth fastest-growing city in the UK, but I am concerned that, as new schools appear, they will fill up with pupils from across the city before nearby houses are built. Head teachers have wanted to hold places, but the incentive is to fill places to secure maximum funding.

Martin Horwood (Cheltenham) (LD): Does the hon. Gentleman accept that the problem is not limited to growing towns? We have a strikingly parallel situation in Cheltenham, where two neighbouring schools were both over-subscribed, which left an admissions gap between them. Again, pupils were referred a long distance away. That was resolved in the end by the good will of the governors of both schools, but with the assistance of the local authority. Does he share my slight concern that the more independence we give schools over admissions, the less incentive they will have to co-ordinate and resolve these problems?

Mark Lancaster: The hon. Gentleman comes to the nub of the problem—how we square that circle between the rights of schools to set their own admissions and the rights of families to get their children into their local school. In Milton Keynes, the consequence is that new families moving in cannot get a place at their local school.

Network Rail's new headquarters is set to bring 2,000 new staff to the city. Yes, there will be school places for the children who move here, but will these be anywhere near their houses and how long will they have to wait to start? This situation also spells trouble as we see the creation of more academies. In Milton Keynes, two schools have applied for academy status, which I wholeheartedly support. I am delighted about it, but will they, as in the previous case, have reduced PANs and will we see yet more displacement within the city?

Meanwhile, the Secretary of State has mooted the idea of allowing schools to prioritise children from disadvantaged backgrounds in the oversubscription criteria. While this is laudable in principle, it has been suggested that allocation will favour a child's means over their proximity to a school. Will we end up with a city where students are crossing each other's paths as they travel to school? Indeed, this situation has posed more questions than answers. Of course there is no dispute that fairness should underpin whatever we do, but there remain two problems with the current set up: delays and distance.

Various recommendations have been made. One that head teachers say would make a big difference is allowing schools in high-growth areas to be able to hold places for people moving in at a later date. This could be made possible by "ghost funding" those places, which is the approach taken by armed forces schools. Again, I am all for infrastructure before expansion, but it has to be done in a strategic way, because at the moment people are moving next to these new schools, but are not able to get a place there.

The school admissions code needs to recognise the importance of schools admitting children from the catchment area. Councils do not seem to have a problem sending children 10 miles away; parents and head teachers do. If we want to improve attainment and children's quality of life, we must recognise that proximity of schooling is very important. A school's duty should be to serve its local area. John Prescott famously warned of the dangers of setting up good schools, because

"everyone wants to go there".

Well, our schools in Milton Keynes are all good. The only danger is that many children will continue to wait too long and travel too far before they actually get to go there.

10.54 pm

The Minister of State, Department for Education (Mr Nick Gibb): I start by congratulating my hon. Friend the Member for Milton Keynes North (Mark Lancaster) on securing this debate. I understand the importance he attaches to education, and it was he who introduced me to Peter Barnes, an inspiring head teacher of the Oakgrove school in his constituency.

My hon. Friend is right to say that admissions policy is a sore subject. I would go a step further, and say that for many parents admissions are a cause of huge stress as they fight to secure a place in a good school when the education system provides insufficient good places. We have some of the best schools in the world, but we also have too many that are still struggling. According to

Ofsted's annual report, published on 23 November, 39% of secondary schools and 36% of primary schools are judged to be inadequate or merely satisfactory. If the admissions system is to be fair, all parents must have the opportunity to choose a good school, not just a satisfactory school. It is not good enough that nearly four in 10 secondary schools and over a third of primary schools do not yet reach that level.

Although 83% of parents secured their first-preference school in this year's admissions round—in Milton Keynes the figure was 88%—that still means that, nationally, nearly one in five parents failed to achieve their first choice of school. It is worse in cities, with one in three missing out on their first choice in London and Birmingham. In some local authority areas, only 50% of parents manage to get their children into their first-preference schools. In 2008-09, more than 88,000 appeals were made by parents who were unhappy with the schools that had been allocated to them, and in 22% of cases the appeals were allowed.

That is the scale of the problem that the Government are charged with tackling. They must establish how to increase the number of good school places, and how to reduce the stress and unhappiness that arise every year during the admissions process. That problem is compounded by the fact that, according to the latest report by the Programme for International Student Assessment, this country's educational ranking has fallen from seventh to 25th in reading, from eighth to 28th in science, and from fourth to 16th in maths.

We need to learn from the best-performing countries, which have been successful in closing the attainment gap between those from wealthier and poorer backgrounds while raising standards for all students. Many have drawn up comprehensive plans for school improvement that involve improving teacher quality, granting greater autonomy to the front line, modernising curriculums, making schools more accountable to their communities, harnessing detailed performance data, and encouraging professional collaboration.

Only through such whole-system reform can education be transformed to make our nation one of the world's top performers, and that is what our White Paper "The Importance of Teaching"—which was mentioned by my hon. Friend—will allow us to do. It will provide greater autonomy for schools, an enhanced teaching profession with renewed professional status, a war on the bureaucratic burdens and red tape that sap motivation and energy, a real focus on raising standards in reading and arithmetic in primary schools, and a revised and slimmed-down national curriculum focused on core knowledge.

We also want to ease the burden on local authorities. Rather than their having to engage in activities such as setting up admissions forums or providing the schools adjudicator with an annual report because central Government says that they must, we want them to concentrate on making the admissions process as fair and straightforward as possible. As my hon. Friend intimated, we intend to simplify the admissions code, while still ensuring fair access to schools for all children.

As my hon. Friend said, local authorities have a critical role to play. My right hon. Friend the Secretary of State describes them as our indispensable partners, and nowhere is that truer than in the co-ordination of fair admissions. Decisions about the allocation of school places can only be made locally. When schools are over-subscribed, the current system allows admission authorities to set their own criteria to decide place allocations, provided that they comply with the school admissions code and admissions legislation.

The use of catchment areas is a popular method, but there are others, including prioritisation based on travel distance, siblings—that too was mentioned by my hon. Friend—and feeder primary schools. The admissions code states explicitly that when catchment areas are used, they must always reflect the community served by the school and must never disadvantage particular social groups by, for example, excluding certain housing estates or addresses.

Those arrangements—as well as the timetable governing when parents apply for their children to start primary school or transfer to secondary school—have been in place for a number of years, but, as my hon. Friend pointed out, local authorities have been required to co-ordinate all in-year applications and offers only from this September as a result of changes made by the previous Government. On the one hand, this means that parents have to complete only a single application form to the local authority where they live, instead of having to go through the often disheartening process of contacting schools direct. It also allows local authorities to help more vulnerable families. On the other hand, it also makes for the kind of slow and bureaucratic process that my hon. Friend North described and delays the allocation of places. In recent months, the Department has had a steady flow of correspondence from local authorities and schools echoing those same concerns—which were also echoed by my hon. Friend the Member for Stockton South (James Wharton)—and arguing that schools should be able to offer or refuse a place directly. Admissions processes are an imprecise science, but having heard from my hon. Friend the Member for Milton Keynes North and having received representations from admissions authorities and members of the public, I am convinced that we have to look again at this issue. It will be considered as part of the review and the simplification of the admissions code that we are currently undertaking.

My hon. Friend also raised the important issue of travel to and from school. In common, I am sure, with all Members of this House, we want as many children as possible to be able to walk or cycle to school wherever they can. It is healthier and reduces traffic congestion. I know from the Milton Keynes "Walk'n'Roll" scheme, launched in October as part of walk to school month, and the "cycle train" interventions, that the authority is committed to working with schools to achieve precisely that.

It is far from ideal for children to have to travel long distances. Parents want their local school to be a good school that they are happy for their child to attend, which goes back to my original point that we have to do more to create more good school places and to raise standards in underperforming schools. The statutory walking distance is currently 2 miles for pupils below the age of eight and 3 miles for those aged eight and over. Where a pupil is attending the nearest suitable school and it is further than the walking distances, free home to school transport has to be provided by the local authority. I am pleased to be able to say that today's local government funding settlement announcement included the proposal to conduct a root-and-branch

[Mr Nick Gibb]

review of home-to-school transport policy in the new year. The current arrangements have remained largely unchanged since the Education Act 1944 and the Government believe they are no longer appropriate for today's modern education system. In the meantime, I know that there are specific issues in Milton Keynes and that a number of pupils face long and difficult journeys, and I have listened carefully to the points made so effectively by my hon. Friend.

In summary, we have to improve our education system and we have to improve our admissions system. Fair and inclusive admissions are a vital component of a world-class education system, and I will ensure that our review of admissions addresses all the points my hon. Friend raised today.

Question put and agreed to.

11.3 pm

House adjourned.

House of Commons

Tuesday 14 December 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Promoting Democracy (Internet)

2. **Joseph Johnson** (Orpington) (Con): If he will assess the compatibility of the provisions of the Vienna convention on consular relations with the effectiveness of the internet as a means of promoting democracy worldwide. [30259]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): There is no incompatibility between the Vienna convention on consular relations, which is an international treaty ratified by 172 countries, and which defines a framework for consular relations between independent countries, and the development of the internet, which is indeed a vital tool in the development of democracy. However, we condemn the release of classified information through the internet. That can damage national security and may put lives at risk.

Joseph Johnson: Will the Minister give an assessment of the impact of the WikiLeaks affair on the conduct of diplomacy, and will he say what steps he plans to take, on the one hand, to tighten access to diplomatic cables that need protecting and, on the other hand, to free up access to the other information that can and should be in the public domain? The latter would also enhance the Government's transparency agenda.

Mr Browne: We believe in freedom of information and open and transparent government, but there is a private realm and a legitimate area for confidentiality in diplomatic relations between nations. We need to get that balance right to ensure that we are secure when trying to safeguard confidential information. That is what we are working to do.

Mr Denis MacShane (Rotherham) (Lab): We have learned that the US Secretary of Defence, Mr Gates, believed that

"Russian democracy has disappeared and the government was an oligarchy run by the security services".

Who could possibly disagree? Instead of the wet willies whimpering over WikiLeaks from the Front Bench and wanting to lock up Mr Assange, would it not be better to congratulate American diplomats on being such excellent reporters and ask why our media are so lazy at foreign reporting? The only time we get foreign news on the front pages is when WikiLeaks gives the media a story.

Mr Browne: I do not wish to comment on the individual case that the right hon. Gentleman has brought to the House's attention. We all understand that there are areas of the private realm—health and tax records, for instance—where it is perfectly possible to release information, but where we would not wish to see it released. We regard that as appropriate for diplomatic relations as well.

Caroline Lucas (Brighton, Pavilion) (Green): What contacts have the Minister or his officials had with their Swedish counterparts or authorities about the extradition of WikiLeaks founder, Julian Assange, from the UK to Sweden, and what assurance has the Minister sought or received from Sweden about the widespread public concern that there might be a political dimension to these proceedings?

Mr Speaker: Order. The Minister will accept that his answer must relate specifically to the effectiveness of the internet as a means of promoting democracy worldwide.

Mr Browne: It is hard to answer the question within those confines. The matter to which the hon. Lady refers is for the courts rather than me as a Minister. However, it touches on a wider point. I agree with the observation that you inferred from the question, Mr Speaker, that the internet is a valuable tool for empowering people around the world, for opening up the world of politics and for giving people greater freedom of information. However, that should not be confused with safeguarding the legitimate private realm.

Gulf Countries

3. **Paul Uppal** (Wolverhampton South West) (Con): What recent assessment he has made of the state of relations between the UK and the countries of the Gulf; and if he will make a statement. [30260]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The Government are strongly committed to elevating our relations with all our partners across the Gulf. We are expanding co-operation with Gulf states across the board—in culture, education, defence and security, trade, investment, and foreign policy co-operation. Gulf states' reactions to the increased engagement have been very positive, and we will maintain the commitment in the coming years.

Paul Uppal: Over the summer, I met the British ambassador to the United Arab Emirates, Dominic Jermey, who told me how impressed he was with the Prime Minister visiting the Emiratis in June. In view of those warm words, will the Foreign Secretary tell me what work his Department is undertaking to ensure that British businesses are supported in exporting to Gulf nations?

Mr Hague: I am very glad to know that the ambassador was pleased with the Prime Minister's visit—it made a huge impact on the United Arab Emirates. My hon. Friend is right that my right hon. Friend the Prime Minister made his visit in his first few weeks in office,

and since then Her Majesty the Queen has made a state visit to the UAE and many of us on the Government Front Bench have also visited, so there has been a serious elevation of relationships. It is also true that there are many commercial opportunities, to which my hon. Friend referred. We export about £15 billion-worth of goods and services to the Gulf, but we can do much more. British embassies in the region and UK Trade & Investment are now poised to put their efforts behind that.

David Cairns (Inverclyde) (Lab): It was the worst kept secret in foreign policy that the nation feared most by the Arab states of the Gulf is not Israel but Iran; we did not need WikiLeaks to tell us that. Given that that is now out in the open, is there an opportunity to forge a new consensus—one that would embrace the countries not just of the EU but of the Gulf region—to convince everyone of the absolute necessity of taking action against Iran before it develops a nuclear capacity, which would be a threat to us all?

Mr Hague: The hon. Gentleman raises an important point. I am not going to comment on the WikiLeaks allegations, but of course there is enormous concern about the dangers of nuclear proliferation in the middle east being sparked by Iran's policies on its nuclear programme. The Gulf states vary in their relationships with Iran; we have to be clear about that. The United Arab Emirates have recently joined in applying financial sanctions against Iran, whereas Oman has a different and long historical relationship with Iran and a strong relationship with this country, and wants to use its good offices to improve relationships between the west and Iran. Each of the Gulf states is able to help in its own way, and the elevation of our relationships with them encourages them to do that. We must join them in that, consulting them and being open to their advice about how to deal with Iran and other regional issues.

NATO Summit (Lisbon)

4. **Sheryll Murray** (South East Cornwall) (Con): What assessment he has made of the outcomes of the NATO summit in Lisbon; and if he will make a statement. [30261]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): As the Prime Minister made clear to the House on 22 November, the NATO summit was a significant success. By agreeing a new strategic concept, the alliance has shown its determination to face the security challenges of the 21st century together. The summit also took important steps to strengthen euro-Atlantic security, in Afghanistan and in relations with Russia. Our commitment to NATO is as strong as ever.

Sheryll Murray: What discussions, if any, did the Secretary of State have at the NATO summit to encourage the use of the excellent training facilities at HMS Raleigh and Flag Officer Sea Training in Devonport, which contribute significantly to the local economy in the south-west?

Mr Hague: Although we did not discuss that specifically at the NATO summit, it is clearly important that NATO nations work together on training. It is also part of our new defence treaty with France that the UK and France will work together to a much greater extent on sharing training facilities, so I will ensure that, between the Foreign Office and the Ministry of Defence, we look at further opportunities in the area that my hon. Friend has raised.

Paul Flynn (Newport West) (Lab): The Lisbon conference showed the same irrational optimism about Afghanistan. Can the Minister explain why, if things are going so well, after spending $52 billion in aid Afghans are still dying in the streets of Kabul of starvation?

Mr Hague: I do not think that the NATO summit showed irrational optimism; I think that it showed realism about the situation in Afghanistan. Bringing together all 48 troop-contributing nations of the international security assistance force in one of the sessions at the NATO summit in Lisbon underlined the fact that there are now more countries engaged in what we are doing in Afghanistan than at any stage before. We in no way minimise the fact that there are enormous challenges ahead of us on Afghanistan. Today I have laid before the House a written ministerial statement that updates hon. Members on where we think we are in Afghanistan. Many of those challenges, including in development, remain.

Sir Malcolm Rifkind (Kensington) (Con): The Lisbon statement said nothing on the future of tactical nuclear weapons in Europe. As the Foreign Secretary will be aware, the United Kingdom gave up its tactical nuclear weapons in the 1990s, as militarily useless and politically irrelevant. Will the British Government now support multilateral negotiations between NATO and Russia, so that tactical nuclear weapons can be removed from Europe as a whole?

Mr Hague: As my right hon. and learned Friend will be aware, we said at Lisbon that NATO would remain a nuclear alliance to meet current and future threats, which does not directly address his point. The statement at Lisbon recognised the role that the alliance can play in supporting wider disarmament and non-proliferation efforts. We agreed at the summit to reviewing how NATO implements those principles. It will discuss all the strategic threats facing the alliance, and the capabilities that we need to meet them, including nuclear deterrence and missile defence. The argument that my right hon. and learned Friend presents will be part of that review.

North Atlantic Treaty

5. **Penny Mordaunt** (Portsmouth North) (Con): What recent discussions he has with his US counterpart on co-operation under the north Atlantic treaty; and if he will make a statement. [30262]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Secretary Clinton and I worked together closely prior to and during the NATO summit in Lisbon in November. During the summit, we worked together to agree with other allies the new strategic concept as well as the way forward on Afghanistan. The United States remains a firm ally of the United Kingdom and we will continue to work closely with it in NATO.

Penny Mordaunt: Could the Secretary of State elaborate on what discussions he has had with the US on the gap in our defence capability, and the implications of that for international relations? I am thinking in particular of the gap in our carrier strike force.

Mr Hague: The United States has been very supportive of the conclusions of our strategic defence and security review—[HON. MEMBERS: "What?"] It has been extremely supportive, and Secretary Clinton reflected that in her remarks. The US is pleased that we will continue to spend more than 2% of our national income on defence, and that we will continue to have the fourth largest military budget in the world. The fact that we are such a strong member of NATO, and that we have the strong alliance of which I have been speaking and work so closely with the United States and France, will help us to work through some of the difficulties in the coming years while we get to an orderly state in our defences, which we certainly did not inherit and we have now to bring about.

Mrs Madeleine Moon (Bridgend) (Lab): Sea lanes of communication are a critical component of the global economy, especially those in the north Atlantic that facilitate trade between the US and the UK. What discussions has the Foreign Secretary had with his counterparts on maritime security co-operation within NATO, especially since the axing of the Nimrod MRA4?

Mr Hague: Maritime security is an important component in NATO. It is primarily the work of my colleagues in the Ministry of Defence to hold those discussions, but the hon. Lady can be assured that Defence Ministers have done so. In particular, my right hon. Friend the Secretary of State for Defence has been working with international colleagues on maritime security around the high north and the north Atlantic. That work is going on, primarily in the Ministry of Defence, but it is of course supported in the Foreign Office.

Richard Ottaway (Croydon South) (Con): The Prime Minister said last week that we might start drawing down troops from Afghanistan next year. Has the Foreign Secretary had any discussions with the United States about what conditions would have to be met before such a draw-down could be put into effect?

Mr Hague: My hon. Friend will be aware that my right hon. Friend the Prime Minister first talked about that during his visit to Washington in July, as well as reiterating the point during his trip to Afghanistan last week. He said in Washington, around his discussions with the President, that such a draw-down

"should be based on the conditions on the ground. The faster we can transition districts and provinces to Afghan control, clearly the faster that some forces can be brought home."

That is the position of the United States as well as of the United Kingdom, and the Prime Minister and the President have certainly discussed it together.

West Bank

6. **Michael Dugher** (Barnsley East) (Lab): What recent discussions he has had with the Secretary of State for International Development on economic development in the west bank; and if he will make a statement. [30264]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): The Foreign Office and the Department for International Development work very closely on this issue. I last had a conversation with the Minister of State, Department for International Development, my right hon. Friend the Member for Rutland and Melton (Mr Duncan) just before his visit to the west bank in late October. We are encouraged by World Bank reports that the economy of the west bank grew by 7.2% in 2009, and we hope that it is benefiting from the stability under Prime Minister Fayyad and the easing of restrictions on movement and access by the Israeli Government.

Michael Dugher: I thank the Minister for that reply. Does he agree that Israel's decision to allow exports from Gaza is welcome and positive? Should not that serve to encourage all sides to look for further progress, and the people of Gaza to reject Hamas?

Alistair Burt: I welcome the hon. Gentleman's comments. The development of the economy of the west bank in recent years has been in sharp contrast to the development of the economy of Gaza—for a whole series of reasons. We would welcome the further expansion of the economy in Gaza, which has to come from an easing of the economic blockade. On that, we welcome the decision announced by Israel last week further to ease the opportunity for exports from Gaza. The hon. Gentleman is absolutely right in saying that it is economic prosperity in both the west bank and Gaza that will make decisions on the future of the whole area that much easier.

Mr James Clappison (Hertsmere) (Con): Would the growing economic prosperity in the west bank not spread to Gaza and be even more impressive if there were full acceptance of the Quartet principles by Hamas and all parties in the middle east?

Alistair Burt: It is certainly true that the rejection by Hamas of the Quartet principles and its failure to denounce violence and to accept the state of Israel is holding back any possible negotiations. Also, the illegal holding of Gilad Shalit for a further length of time is contrary to all our interests, and he should be released as soon as possible. It all goes to show that further negotiation and talk is the best way to produce an overall settlement in the middle east, which is what we are all looking for.

Mr Speaker: I know we are focusing on economic development in this question.

Richard Burden (Birmingham, Northfield) (Lab): Given what the Minister has said about economic development in the west bank, does he share my concern that it is not in the interests of the economic development of that region to see the tightening rather than easing of movement restrictions in the Jordan valley and Palestinians and Bedouins being dispossessed in the Jordan valley?

Alistair Burt: The hon. Gentleman's long interest in the economic development of the west bank and all other areas is well noted; we spoke in the Westminster Hall debate the other day. The easing of all restrictions is in the interests of all. That is why we welcome it when we find it and are concerned if there is any greater restriction on access. The economic development of the whole of west bank area and of Gaza is a crucial part of

the development of the Palestinian state. The establishment of that valid state, side by side with a secure and recognised Israel, is of interest to us all.

Bob Blackman (Harrow East) (Con): The threat to the economic developments on the west bank and in the rest of the region is, of course, dependent on the military position. Is the Minister aware of the rockets, bombs and anti-aircraft capability that Hamas has built up and does that not further threaten the security of the region?

Alistair Burt: The Government have already expressed concern about the build-up of arms in the area by Hezbollah and Hamas, none of which is conducive to what we all want: a negotiated peaceful settlement of the middle east process that is a secure and sovereign Israel side by side a viable Palestine.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): When the Minister visits the middle east in the new year, will he press Israel further to reduce its restrictions on freedom of movement both for Palestinian people and for Palestinian goods? Free movement is crucial; so, too, is providing global opportunities for the Palestinians to trade with the rest of the world. In the Foreign Office business plan, UK Trade & Investment is developing its strategy; will the Minister ensure that UK trade with the west bank is absolutely part of that UKTI strategy?

Alistair Burt: Yes, indeed; I welcome the hon. Gentleman's comments. There was a successful investment conference in the west bank just a few months ago, and it is in the interests of all that economic prosperity is encouraged on all sides. It is in the interests of Israel to make sure that there is as much access as possible—providing, of course, that its essential security interests are safeguarded. Wherever they have been threatened, as in Gaza, it remains necessary for the Israelis to control any materials that might detract from that. When it comes to economic development and movement, however, the hon. Gentleman is absolutely correct.

Sri Lanka (Red Cross Operations)

7. **Siobhain McDonagh** (Mitcham and Morden) (Lab): What recent reports he has received on the decision by the Sri Lankan authorities to end the operations of the International Committee of the Red Cross in the north of that country. [30265]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): The Government are aware that the Sri Lankan Government have asked the International Committee of the Red Cross to close two centres in the north of the country. We are also aware that the ICRC has, after a review, already closed down its own operations in Mannar.

Siobhain McDonagh: The removal of the Red Cross from the predominantly Tamil area shows contempt for a renowned international non-governmental organisation and will seriously inhibit much needed aid and assistance. In light of the comments made by the new cardinal of Colombo—that there is "a dangerous trend of ethnic Sinhalese moving into Tamil areas"—does the Minister agree with me that the real reason for removing the Red Cross was to allow for Government-supported demographic change to go unchecked by independent monitors?

Alistair Burt: I am not sure whether I can speak for the Government of Sri Lanka in explaining how they made their decision, but it is certainly true that the international community listens extremely carefully to the voice of the ICRC as an independent monitoring body, and its unavailability will therefore have to be compensated for elsewhere. The Government have consistently pressed Sri Lanka to live up to its offer of post-conflict reconciliation, but moves such as restricting access to detainees and any restriction of the work of significant non-governmental organisations will make that process rather harder.

Mr Lee Scott (Ilford North) (Con): One of the valuable tasks performed by the ICRC has been investigating the disappearance of young children throughout the Tamil community and trying to repatriate them with any relatives who are still alive. Will my hon. Friend look into the possibility of pressing for that valuable work to be allowed to continue?

Alistair Burt: I will ask our posts in Sri Lanka to consider it carefully. The fact that more people need to return to the areas from which they were removed is another measure of the steps that are necessary in the post-conflict resolution, and although we have seen a great deal of progress over the years, more needs to be done.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): As the Minister will know, recent additional footage from Channel 4 has shown Sri Lankan forces executing civilians at the end of the conflict. He described the ICRC as an independent international monitor, but, as he will also know, there is serious concern about the continued lack of independent and transparent investigation of alleged war crimes in the country. Have Ministers urged the Sri Lankan Government to support a properly independent inquiry with international involvement, and did the Secretary of State for Defence also raise those points in his meeting with the Sri Lankan President earlier this month?

Alistair Burt: Our Government have made very clear to the Government of Sri Lanka that any process involving the examination of war crimes or other issues must be credible and must have an independent element. We suggested recently that those appointed to a United Nations panel should be the interlocutors with whom it would be wise for the Sri Lankans to be involved in an effort to influence the international community. They have the first responsibility in dealing with the inquiry, but if there is to be credibility in the international community it is essential for there to be an international element, and for the issues that have been raised recently to be looked into extremely carefully.

Yvette Cooper: I welcome and agree with what the Minister has said, but I urge him to go further in pressing the Sri Lankan Government to accept international involvement in order to increase the credibility of the report.

The Minister did not answer my question about whether the Defence Secretary had also raised the issue, and I must press him for clarity. The Sri Lankan Ministry of External Affairs has said that the President and the Defence Secretary had

"discussed areas of assistance to Sri Lanka",

and that

"There was agreement that the friendship between Sri Lanka and the UK should be strengthened".

Will the Minister tell the House what status that agreement has, and whether all Ministers are taking every opportunity to press for a credible investigation of war crimes?

Alistair Burt: The interest taken by my right hon. Friend the Secretary of State in Sri Lanka dates back to his time as a junior Foreign Office Minister in 1996, when he helped to broker a ceasefire in the conflict that was taking place then. He has retained that interest, and it is very helpful to the Government as a whole to have an interlocutor with such long-standing relationships.

The United Kingdom Government are united in respect of the issues that we raise with Sri Lanka. That process involves helping the Sri Lankan Government to understand what the international community requires, in monitoring what is currently happening, in access of NGOs to detainees, in further reconciliation following the conflict, and in providing opportunity for independent experts to be involved in the inquiry. The Defence Secretary fully understands and appreciates that united position.

Simon Hughes (Bermondsey and Old Southwark) (LD): Given the strong all-party interest in the House in human rights in Sri Lanka, will the Minister reassure us that conversations are continuing with the Commonwealth and its secretary-general to ensure that they do not step back from their active interest in human rights issues generally and Sri Lanka in particular?

Alistair Burt: I am sure that is the case, and may I say in passing that we welcome the recent visit of a Commonwealth Parliamentary Association group to Sri Lanka? I have already met representatives who were on that trip. The visit shows the Commonwealth's strong interest in Sri Lanka's continuing development post-conflict. I was greatly appreciative of the efforts made by Members of this House in going on that trip and reporting back, and I am sure that they will report back to the House more fully at a later stage.

Korean Peninsula

8. **Mr William Bain** (Glasgow North East) (Lab): What recent assessment he has made of the prospects for a resolution of the dispute in the Korean peninsula. [30266]

9. **Stephen Pound** (Ealing North) (Lab): What recent assessment he has made of the security situation in the Korean peninsula. [30267]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Tensions are likely to remain high until North Korea abandons its provocative behaviour and violation of UN resolutions, and creates the conditions for the resumption of talks by making verifiable progress towards denuclearisation. Talks between relevant parties offer the best prospect for achieving a resolution of the dispute, but cannot succeed without trust.

Mr Bain: I thank the Foreign Secretary for that reply. Does he agree with the statement issued from last week's trilateral summit of Japanese and South Korean Foreign Ministers with Secretary of State Clinton that North Korea's actions have jeopardised peace in northern Asia and that North Korea's provocative and belligerent behaviour will be met by solidarity from all three countries? What representations will the UK continue to make to demonstrate the dissatisfaction of the British people with North Korea's continual flouting of UN resolutions?

Mr Hague: The hon. Gentleman is right to draw attention to the statement from the United Kingdom, the United States and the European Union, and also the associated statements from Japan. The Prime Minister spoke to the UN Secretary-General and President Lee of South Korea on 24 November, and expressed our strong support for South Korea. In addition, we have held meetings in the past week: senior FCO officials have met North Korean counterparts to relay our messages and our clear view on recent events that North Korea should resume co-operation with the International Atomic Energy Agency and ensure that all nuclear activity adheres to the requirements of that agency, and that it faces increasing isolation unless these matters are dealt with.

Stephen Pound: The people of Ealing North keep a very close eye on rising tension in the Yellow sea, partly because the embassy of the Democratic People's Republic of Korea is in Ealing—oddly enough, in the house that was formerly occupied by my hero, Sid James. Has the Foreign Secretary had any recent conversations with his colleague the Secretary of State for Defence about any British maritime presence in the area?

Mr Hague: We are interested to know of the history of buildings in Ealing in this respect. I imagine the building in question saw much more amusing times when occupied by Sid James than when occupied by the North Koreans. Nevertheless, our relations with that country are important, because we have to be able to pass clearly to them the messages I have just described. Yes, of course I discuss this issue, and not only with my right hon. Friend the Secretary of State for Defence, but across Government through the framework of our National Security Council. The maritime presence in the area is more a concern of South Korea, Japan and the United States than of the United Kingdom, but we always keep that under review.

Sir Menzies Campbell (North East Fife) (LD): In view of the fact that China shares a border with North Korea, it might reasonably be thought that the Government of the People's Republic of China would have an interest in stability on the Korean peninsula. What efforts has the Foreign Secretary made to engage with his counterpart in the PRC Government to encourage that country to take an active role in reducing tension in the area?

Mr Hague: I have had many such discussions. Indeed, some of my earliest discussions on becoming Foreign Secretary some months ago were with my Chinese counterpart on the subject of Korea and encouraging stability there. It was part of the strategic dialogue I conducted with the Chinese leaders in July in Beijing. My right hon. and learned Friend is right that China has that interest in stability there, although that also means that China is often very cautious about supporting the kind of language and the kind of condemnation that we think is appropriate for North Korea's recent actions. That makes it much more difficult to pass strong Security Council resolutions about North Korean

violations of the type that we have recently seen. China interprets the need for stability quite differently from the way we interpret it, but there is a strong and continuing dialogue about it between us and China.

Caroline Dinenage (Gosport) (Con): Given that North Korea has so far evaded two UN Security Council resolutions and is, despite international condemnation, continuing attempts to enrich uranium, is there any hope at all that it will not become a nuclear power?

Mr Hague: North Korea makes many claims about its nuclear capabilities including, recently, about enrichment facilities. We are deeply concerned by reports that it is building a new nuclear facility, in violation, as my hon. Friend says, of two Security Council resolutions. We urge it to resume co-operation with the International Atomic Energy Agency to ensure that all its nuclear activity adheres to IAEA safeguards agreements. Until North Korea makes verifiable progress on that, we urge the international community robustly to implement the existing United Nations sanctions.

Emma Reynolds (Wolverhampton North East) (Lab): The Opposition welcome the Foreign Secretary's condemnation of North Korea's recent unprovoked attacks on South Korea and I should like to associate myself with the comments he made a moment ago. I want to press him further on his response to China's offer to host the emergency six-party talks. Does he regard that as the best way forward?

Mr Hague: I am grateful for the Opposition's support. It always makes a difference in these diplomatic matters if the House of Commons stands united. It will be noticed in the world that the House of Commons is absolutely united in condemning the recent actions of North Korea. I do not think that an immediate return to the six-party talks is the way forward as that would be, in a sense, a reward for North Korea's behaviour. Other discussions and other ways forward will have to be found.

Central Asia

10. **John Mann** (Bassetlaw) (Lab): What recent assessment he has made of the state of UK relations with the countries of central Asia. [30270]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): Central Asia is an important region for UK strategic interests. We value our constructive relationships with countries in this fast-developing region and want to strengthen these further. We have much to gain from closer engagement on a range of issues, including those relating to Afghanistan and democratic and other reform. We are also seeking to deepen our commercial links.

John Mann: Instead of the Government's supine silence on Liu Xiaobo and their continued kowtowing to the Communist party of China, is it not time they gave a much higher priority to building the newly emerged democracies across central Asia with practical support and assistance?

Mr Bellingham: I am grateful to the hon. Gentleman, who is secretary of the all-party group on central Asia. We are working carefully and closely on supporting the EU-central Asia strategy. Furthermore, the other day, the Deputy Prime Minister attended a very important meeting of the Organisation for Security and Co-operation in Europe, at which he met its president. I think that progress is being made all round.

Rehman Chishti (Gillingham and Rainham) (Con): Will the Minister join me in paying tribute to the excellent work of Richard Holbrooke, the US envoy to Afghanistan and Pakistan, who did an excellent job in the Balkans with the Dayton accords?

Mr Bellingham: I am grateful to my hon. Friend for those comments and I join him in paying tribute to Mr Holbrooke, who was a remarkable statesman. He made extraordinary progress that can be built on in the future.

Afghanistan

11. **Tom Greatrex** (Rutherglen and Hamilton West) (Lab/Co-op): What his most recent assessment is of the political and security situation in Afghanistan; and if he will make a statement. [30271]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Earlier today I laid a written report on recent progress in Afghanistan before the House as part of the Government's commitment to keep the House regularly updated on the situation there. The report covers the security and political situation including the results of the recent elections, outcomes of the NATO conference in Lisbon, governance and regional engagement.

Tom Greatrex: I thank the Foreign Secretary for that answer, but does he share my concern about the very high rate of attrition in the Afghan police force? Some reports put the figure at 7,000 out of 35,000 over a very recent period. What action can be taken to ensure that there is a stable and established police force in Afghanistan so that people there can have confidence in their civil policing arrangements?

Mr Hague: This is a vital matter and the hon. Gentleman is right to draw attention to it. The written report I set before the House today shows that by mid-November Afghan national police strength had reached 116,000 and is on track to meet the target of 134,000 by next November. One of the crucial matters is an increase in the rate of training the Afghan national police, as well as reducing attrition. For most categories of police officer, attrition rates have fallen in recent times, and the NTM-A—the NATO training mission for Afghanistan—reports an increase of around a third in the number of trained officers and a twofold increase in the number of trained non-commissioned officers. Clearly, the Afghan national police are being built up, despite the difficulties to which the hon. Gentleman refers.

Dr Julian Lewis (New Forest East) (Con): Our strategy in Afghanistan oscillates between infantry-intensive counter-insurgency campaigning, at high cost, and advance notice that we are going to withdraw, which puts pressure on one side to compromise, but not on the other. Will my right hon. Friend at least keep his mind open to the possibility of alternative strategies, such as the strategic

base and bridgehead area solution, which would allow us to secure our strategic interests at lower cost, and thus square the circle?

Mr Hague: There will always be a strategic debate about Afghanistan. There is no oscillation about those infantry-intensive campaigns. Our troops continue to do an extraordinary job, and as the Prime Minister has said in the House and elsewhere, they are able to do it more effectively now that we have the right concentration—the right density—of forces in Helmand, where our troops are mainly deployed. The whole of NATO has the strategy of building up the Afghan national security forces to the point where they can lead and sustain their own operations throughout Afghanistan by 2014. It is consistent with that for us to say that we will not be engaged in combat operations by 2015. We are joined with 47 nations in pursuing our strategy, and therefore we should not try to change it on a daily or weekly basis.

Mr Bob Ainsworth (Coventry North East) (Lab): May I bring the right hon. Gentleman back to the answer he gave to the Chairman of the Foreign Affairs Committee? We can all recall the Prime Minister saying in the summer that the combat mission would come to an end in 2015, but no one can recall the Prime Minister saying at that stage that British troops would start leaving Afghanistan next year. When was that first said and why?

Mr Hague: The people who did not hear it were not listening to the BBC on 21 July, when

"Mr Cameron was asked whether people could expect British forces to follow the Americans in starting to pull out of Afghanistan from next year. The prime minister said: 'Yes we can, but it should be based on the conditions on the ground. The faster we can transition districts and provinces to Afghan control, clearly the faster that some forces can be brought home'."

That is still on the BBC website. What my right hon. Friend said last week—also in answer to a question—was simply repeating what he had said in Washington last July.

Patrick Mercer (Newark) (Con): Further to the question put by the right hon. Member for Coventry North East (Mr Ainsworth), the Foreign Secretary will be aware of a Pentagon report that says that the time line given by President Obama for the withdrawal of American forces has given aid, succour and assistance to the Taliban. Have we been wise to follow that example?

Mr Hague: There are many conflicting reports, as my hon. Friend will be more aware than most. It is argued by some that the references by the President to a draw-down beginning in July 2011 gave some in Afghanistan the impression that there would be a complete withdrawal of forces in 2011. Anybody who is expecting that is in for a shock, because the combination of the surge of NATO forces we have seen recently and the now fairly rapid build-up of the Afghan national security forces means that more forces are deployed against the Taliban than ever before. Clearly, that build-up will continue, with the huge increases projected for the Afghan forces up to 2014. What we say about 2015 is in no way in conflict with that.

Mr John Spellar (Warley) (Lab): May I associate the Opposition with the tributes to Richard Holbrooke, a tireless worker for peaceful solutions to conflicts around the world, most recently in Afghanistan? There, in a couple of weeks, our troops will be celebrating Christmas far from their families, and we send them our thanks and best wishes, and look forward to welcoming them home.

Can the Foreign Secretary fully reassure the House, in the light of previous questions, that any draw-down will be determined by conditions on the ground and not by the calendar? What conditions will be needed for combat troops to be pulled back from Afghanistan, especially when we approach 2014-15?

Mr Hague: I want to pay tribute to Ambassador Holbrooke in a moment, at the beginning of topical questions. I join the right hon. Gentleman in his comments about our forces in Afghanistan. Throughout the Christmas period they will, I hope, be in the minds of all of us in the House. The conditions on the ground that are necessary for any draw-down or any change in the deployment of forces to begin over the next few years are successful transition of districts and provinces. We made it clear at the NATO summit that we want that to begin early in 2011, but that does not always mean that forces that then become available are withdrawn. Many of them can be redirected into training. In recent months we have moved 300 additional forces into training. Although Canada is withdrawing its combat forces, it announced at the NATO summit that almost 1,000 trainers would be made available for Afghanistan. It is in this form that transition takes place and, as a result, there will be adjustments from time to time in the deployment of the forces of the 48 nations involved.

Topical Questions

T1. [30283] **Fiona Mactaggart** (Slough) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The whole House will join me, and several Members have already done so, in paying tribute to Ambassador Richard Holbrooke, President Obama's special representative for Afghanistan and Pakistan, who died last night. He was not only a remarkable diplomat and public servant who served his country with great distinction, but someone who, through his efforts, brought an end to Europe's worst bloodshed since the end of the second world war in Bosnia-Herzegovina in the 1990s. Today, as it happens, is the 15th anniversary of the signing of the Dayton peace accords, which Ambassador Holbrooke forged and which brought that appalling conflict to an end. In serving his country, he also saved countless lives and helped pull an entire country back from the brink. His death is a sore loss to international diplomacy.

The December European Council takes place later this week. The Prime Minister will attend. The agenda includes economic policy, including limited treaty change, the EU budget and the EU relationship with strategic partners. A stable eurozone is in our economic interest, but any treaty change must not transfer competence or power from the United Kingdom to the EU.

Fiona Mactaggart: This morning in Strasbourg the European Parliament debated and passed, with support from British MEPs in every political party represented in this House, a resolution on the EU trafficking directive. Has the Foreign Secretary discussed international action

and collaboration against human trafficking with any of his European counterparts in the past six months, and does he expect to have such discussions in future?

Mr Hague: Yes, of course, the Government expect to have many such discussions. My right hon. Friend the Home Secretary is in the lead on these matters. Discussions take place between Governments all the time. I have argued for many years that Governments can do more together to deal with the issue. Our predecessors did so 200 years ago, and we should be able to do so today. That does not mean that we opt in to every EU directive on the matter if we are already taking necessary actions anyway and can retain the freedom to take actions as we wish to determine them in the House, but the responsibility of all nations to take action against trafficking is very clear.

T2. [30284] **Mr Dominic Raab** (Esher and Walton) (Con): Last week the Nobel peace prize was awarded to Liu Xiaobo as he languishes in a Chinese jail. This comes as some EU states want to lift the arms embargo on China. Does my right hon. Friend join me in deploring China's record of state torture and crushing peaceful dissent? Will he stiffen spines in Brussels so that the EU sends a clear message to China that it cannot behave like a thug and expect normal commercial relations?

Mr Hague: We have no plans to lift the arms embargo on China. I have made that clear in EU discussions, which I think is what my hon. Friend was asking for. We have also made it clear where we stand on Liu Xiaobo. A few minutes ago the hon. Member for Bassetlaw (John Mann) accused the Government of supine weakness, but he was guilty of rather spectacular ignorance because it was one of the main issues that we flagged up on international human rights day, and which I placed on the Foreign Office website and spoke about in my message on international human rights day, so we have been clear where we stand on the awarding of the Nobel prize, and of course our ambassador attended that ceremony.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): May I join the Foreign Secretary in his tribute to Richard Holbrooke? The right hon. Gentleman will agree that this is a moment when we should not just pay tribute to Ambassador Holbrooke's previous work, but recognise that his death is a great loss to the peace process in Afghanistan and to the work that is ongoing.

The Foreign Secretary referred to the EU Council, which will meet on Thursday to discuss a treaty change that has not been debated in this House, where for the third time since the election we have not had a pre-Council debate. Why are the Government agreeing to treaty changes without debating them first in the House, and will they propose any further treaty changes of their own?

Mr Hague: The right hon. Lady is quite right about Ambassador Holbrooke. I spoke about his previous outstanding record, and it is quite true as well that we will feel his loss in current events and in the work that is ongoing in Afghanistan and Pakistan. We clearly stand united in the House in reflecting on that.

On the European Council and the subject of debates, there is some force in the points that hon. Members make about such matters being debated in the House. The days that were previously set aside for European Council debates are among those that have gone into the pot, as it were, to be allocated by the Backbench Business Committee. The right hon. Lady might say that the Government should allocate more time, but the Government gave away that time, and let us be fair, the Opposition also have time on the Floor of the House, with their Opposition days. That is the current position, however, and the Backbench Business Committee should very much take those points into account.

In accordance with the European Union (Amendment) Act 2008, no Government can agree to a treaty change without bringing it to the House for a vote and, indeed, to the other House, so, the Government's formal agreement to a treaty change will in any case require a debate and vote in this House. We will treat any new treaty change in line with the requirements of the European Union Bill, which is now before the House, meaning that a change will also require an Act of Parliament. So, any such change that might be agreed this week will require exhaustive examination in this House.

Several hon. Members *rose*—

Mr Speaker: Order. I just gently remind the House that topical questions are supposed to be characterised by short and snappy, as well of course as informative, answers.

T4. [30287] **Pauline Latham** (Mid Derbyshire) (Con): Will the Minister outline what actions his Department is taking to strengthen the democratic process in the run-up to and during next year's elections in African countries, other than in the Sudanese referendum?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): The ongoing problems in Côte d'Ivoire illustrate the importance of elections running smoothly. That is why in Nigeria we are supporting the electoral commission in the run-up to next year's presidential elections. In Uganda, we are providing a range of assistance and advancement actions, including the Department for International Development's "deepening democracy" programme. Finally, on Zimbabwe, there must be credible action that commands the support of the world community.

T3. [30286] **Anas Sarwar** (Glasgow Central) (Lab): Will the Foreign Secretary update the House on what recent discussions he has had with his US counterparts on the planned closure of Guantanamo Bay and the return of the remaining detainees to their home countries, including Shaker Aamer, who has been held for nine years without trial?

Mr Hague: I raised this with Secretary Clinton on my last visit to Washington a few weeks ago, I think on 17 November—I mentioned specifically the case of Shaker Aamer. My right hon. Friend the Deputy Prime Minister also raised that case with Secretary Clinton, when he met her in Astana in Kazakhstan a couple of weeks ago, so the US Administration are very clear about where we stand and, indeed, our overall position on the closure of Guantanamo Bay. That is going through a process of examination in the State Department and in other US Government Departments, but they are in no doubt of our request.

T5. [30288] **Rory Stewart** (Penrith and The Border) (Con): What defined Ambassador Holbrooke was not simply his energy and his knowledge of language and culture, but his ability when he was a young diplomat in Vietnam to speak truth—uncomfortable truth—to power. What is the Foreign Secretary doing to ensure that young diplomats who follow in Ambassador Holbrooke's footsteps—who understand language and culture and speak truths to power—are promoted within the Foreign Office system?

Mr Hague: Working with the Foreign and Commonwealth Office board, I have recently launched a diplomatic excellence initiative. The initiative is designed to bring about exactly the kind of thing to which my hon. Friend is referring and to ensure that we achieve the highest standards of policy making and diplomatic action in the Foreign Office for the long-term future. It is vital for this country that the FCO is a strong institution for the long term, with great geographical expertise and real diplomatic excellence and policy skills. We are taking other action to bring in external expertise in the area of human rights—I have formed an external group of experts—and I am open to other suggestions and advice from around the House.

T8. [30291] **John Robertson** (Glasgow North West) (Lab): Further to the question of my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), which the right hon. Gentleman did not answer, what kind of amendments are the Government proposing to bring to the meeting on Thursday?

Mr Hague: The situation will, of course, be discussed by the 27 Heads of Government at the European Council. We are very clear that if there is a treaty change concerning the eurozone, there must be no obligation on the United Kingdom. If eurozone countries wish to form a mechanism, it cannot be one that places an obligation on the United Kingdom. As the hon. Gentleman will recall from the October Council, we are also working on the next financial perspective because, unlike the previous Government who gave away billions of pounds of British taxpayers' money in negotiating a financial perspective, we want the next European financial perspective to reflect the budgetary disciplines of the member states involved.

T6. [30289] **Stephen Phillips** (Sleaford and North Hykeham) (Con): We learned last week that the United States considers the growth of China's influence in Africa to be a very worrying development. Will my right hon. Friend indicate whether the Government are also concerned about the Chinese Government's rush to secure the friendship of undemocratic yet often resource-rich African countries?

Mr Bellingham: When I was in Angola last week, I had a chance to see the scale of Chinese investment. It is clear to us that China offers great opportunities for many African countries. Transparency and governance are key if we are to get the best out of such investments. That is why my right hon. Friend raised these issues in the recent UK-China dialogue on Africa and the subsequent UK-China summit.

Angus Robertson (Moray) (SNP): The UK Government say that they want to improve bilateral and defence relations with Norway. The Secretary of State will understand that the Norwegians are particularly concerned about maritime reconnaissance and fast jet co-operation. How can UK claims have any credibility, given that the UK has just scrapped its maritime reconnaissance fleet and is still considering the closure of the fast jet base closest to Norway?

Mr Hague: I discussed some of those matters with the Norwegian Foreign Minister when he was here a few weeks ago. My colleague, the Secretary of State for Defence, has also had discussions with Norwegian Defence Ministers. As I mentioned earlier, my right hon. Friend the Defence Secretary is intensifying co-operation with other states towards the north of NATO on what we can do together. Those countries, including Norway, continue to regard the United Kingdom as an indispensible partner in the years ahead. We are a great deal more indispensible than we would be if the country were broken up and Scotland became an independent nation.

T7. [30290] **Mr David Evennett** (Bexleyheath and Crayford) (Con): Can my hon. Friend the Minister give an assessment of the position of Christians in Iraq and of the respect for the human rights of minorities in that country?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I was in Iraq a couple of weeks ago and had meetings both with Government Ministers and Archbishop Matoka, the archbishop in the diocese where the church was so outrageously attacked a few weeks ago. Ministers are well aware of the need to protect minorities in Iraq. The way in which any state looks after minority communities, particularly the uniquely vulnerable Christian community in Iraq, is taken as an indication of how that country functions. Ministers are well apprised of world-wide concern and have a desire to look after that community.

Mike Gapes (Ilford South) (Lab/Co-op): In an earlier answer, the Foreign Secretary referred to the intention to hand provinces and districts in Afghanistan over to Afghan security forces. Will he confirm that the original plans put forward by General McChrystal have been scrapped and that the position being put forward by the international coalition is based on a hope, a wing, a prayer, and an assumption that the Afghans will come forward in an effective way, but that we have no basis on which we can know that?

Mr Hague: It is not just based on a hope, a wing and a prayer; to say that would be unfair to everyone involved. I hope that the hon. Gentleman will look at the report that I have laid before the House today, which looks at the Afghan national army's 28 brigade and corps units and says that seven are now capable of undertaking operations with minimal advice; and then goes through to grade the rest of them. It is also important to bear in mind that, as the report points out, 70% of the violence in Afghanistan is in four of its 34 provinces. That illustrates how dramatically different conditions are in different parts of Afghanistan, which means that transition will be able to take place in some areas years before it can take place in others.

Charlotte Leslie (Bristol North West) (Con): Is the Minister aware of the situation facing my constituent, Mr Shrien Dewani, and can the Minister inform the House of what measures his Department is taking to ensure that my constituent receives appropriate British support?

Mr Bellingham: I am grateful to my hon. Friend. When I was in South Africa 10 days ago, I raised this case with the consul general and his team. He made it clear not only that everything possible had been done to support Mr Dewani but that if he returns to South Africa, he will receive full consular support. My hon. Friend has done all that she possibly can to help the family and has been absolutely exemplary in what she has done to assist them.

Mr Frank Roy (Motherwell and Wishaw) (Lab): What improvements have happened to the lives of ordinary families in Helmand province to justify a change of policy in moving forward to 2011 the 2014 date for the beginning of withdrawal of troops?

Mr Hague: As I have said before, I stress that there is no change in policy. The Prime Minister has also reiterated what he has said before. However, that very much depends on the conditions prevailing on the ground. There are improvements in Helmand; there is no doubt about that. There are security improvements. There are places in Helmand where vastly more people are going to school, where more roads are working, and where health centres are open, which was not the case one year or two years ago. What we do in Helmand, and any withdrawal of troops from Helmand, will continue to be dependent on those improvements in conditions.

T9. [30292] **Mel Stride** (Central Devon) (Con): My right hon. Friend the Foreign Secretary has spoken out against the dreadful plight of Sakineh Ashtiani, who was convicted in Iran of having so-called illicit relationships and now faces the prospect of death by stoning. Will he update the House on what recent steps the Government have taken to press the Iranian authorities to stay this barbaric execution?

Mr Hague: The Government do press the Iranian authorities. Indeed, our ambassador in Tehran has recently been sharply criticised by the Iranian Government for raising human rights issues so clearly in his own comments. What is even more striking is that far beyond Government, the people of this country—the civil society of this country, and those of so many other countries around the world—are appalled that the barbaric and mediaeval punishment of stoning can still be contemplated, and are additionally sickened by the idea that a pretence can be made of releasing this lady only to make a film that is then meant to assist the Iranian state in saying what it wants to about her case. We believe that the punishment should be set aside and that Iran would do itself a great deal of good in the world if it did so, and we call upon Iran again today to do so.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the Secretary of State agree that the success of joint projects between Israel and the Palestinians, such as the tourism initiative between Jenin and Galilee, exposes the absurdity of calls for boycotts of Israel?

Alistair Burt: Yes, the hon. Lady makes a fair point. It is not through boycotts that influence is exercised but through continuing co-operation. That is the best way forward to the negotiated settlement that we all want to see in the interests of all those in the middle east.

Jo Swinson (East Dunbartonshire) (LD): The UK rightly supports an international ban on cluster munitions, which is why it was very concerning to read the published claims on WikiLeaks that the last Labour Government had allowed the US to stockpile cluster munitions on UK territory. What reassurances can the Secretary of State give that no such violation has occurred, or will occur, under this Government?

Mr Hague: Those things on WikiLeaks would be concerning if they turned out to be true, but I see no evidence that Parliament was misled. Of course, we do not have access to the papers of the previous Administration, but I have not seen anything that suggests that Parliament was misled. My hon. Friend will be glad to know that the withdrawal of cluster munitions from all United Kingdom territory has been completed ahead of schedule.

Jeremy Corbyn (Islington North) (Lab): Will the Foreign Secretary raise with the Moroccan Government the situation facing Western Sahara and the future of UN negotiations that aim to bring about a referendum on self-determination and bring an end to that more than 30-year conflict?

Alistair Burt: I was in Algeria and Morocco recently and raised the issue of Western Sahara. We have pressed all parties to continue negotiations and to look to the UN to assist. Ambassador Ross is working to that end. We have pressed in particular the importance of an independent monitoring process in Western Sahara, to assist transparency when looking at events such as the recent tragedy in Laayoune. This issue has gone on for too long, and it will not solve itself.

Several hon. Members *rose*—

Mr Speaker: Last, but not least, Mr Stewart Jackson.

Mr Stewart Jackson (Peterborough) (Con): On human rights abuses in Iran, does my hon. Friend share my concern over the fate of the Christian pastor, Youcef Nadarkhani, who has reportedly been sentenced to death by the Iranian authorities for apostasy? Will the Foreign Secretary set out what the Government intend to do to relieve pressure on Christians and other minority groups in Iran?

Alistair Burt: In 2009, there were some 388 executions in Iran, including those of juveniles and women. We join with other nations around the world to condemn the way in which it is used as a form of punishment. I understand that Pastor Nadarkhani's sentence and case are under review by the Iranian authorities. It is essential that the world continues its pressure in relation to Iran. A state is judged by how it looks after its minorities. In Iran, that includes the vulnerable Christian community and other communities of faith, such as the Bah'i.

Courts Service Estate

3.36 pm

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): With permission, Mr Speaker, I wish to announce the Government's response to their consultation on Her Majesty's Courts Service estate. Thank you for allowing me to release details of the courts covered in the statement to Members in advance.

This statement will be of interest to many hon. Members and to many hard-working members of HMCS staff. It will also be of interest to the judiciary, both to professional judges and the very many magistrates who give freely of their time to serve their communities. My announcements pave the way for a better, more efficient and more modern justice system that has more efficient courts, better facilities, and the faster conclusion of cases for the benefit of victims, witnesses, defendants, judges and the public at large.

The announcements complement the Department's wider plans to help and encourage people to resolve their issues out of court, using simpler, more informal remedies such as mediation where appropriate; to overhaul case management procedures and get rid of wasteful layers of bureaucracy; to move forward with technological innovations such as video links, which have the potential to revolutionise the way in which justice is delivered in our country; and to involve communities much more closely in the justice system, particularly through problem solving and restorative justice approaches.

On 23 June, my right hon. and learned Friend, the Secretary of State for Justice and Lord Chancellor, made a written statement announcing consultations on proposals to close 103 magistrates courts and 54 county courts in England and Wales, and to merge some local justice areas. The consultation was clear that failures in the last decade to manage the Courts Service estate properly have led to a service that would be unsustainable at any time, let alone in the current financial circumstances.

It is unsustainable that in 2009-10, our 330 magistrates courts sat for less than two thirds of their available time and that courtrooms in our 219 county courts sat on average for only 180 days a year. It is unacceptable that dozens of buildings never intended, and not fit, for the requirements of a modern court system are still being used. It is undesirable in the current financial position that the taxpayer continues to fund buildings that offer outdated and inadequate facilities to victims and witnesses.

I am grateful for the many contributions to the consultation. I understand the strength of feeling that is has generated, and I have listened to the many points made by respondents. Much has been said by Members about travel times to court. I can reassure the House that our plans will only very slightly reduce the percentage of the population able to access their nearest court by public transport in under an hour, from just under 90% to 85%. I also remind the House that very few of us actually attend court more than once or twice in our lives, and even fewer use public transport to get there. It is simply not good use of taxpayers' money to operate courts simply to shave minutes off a journey that many will never need to make.

Arguments were also made during the consultation about the potential erosion of local justice. I take that accusation extremely seriously, but the closures will not mean people losing access to local justice. In fact, I would suggest that they will mean quite the opposite—better local justice. They will mean the provision of a better, more efficient and more modern justice system with good facilities, efficient courts and the faster conclusion of cases for the benefit of victims, witnesses, defendants, judges and the public.

Having taken all those points into consideration, the Government have decided to close 93 magistrates courts and 49 county courts. Of those county courts, however, 10 will remain open for hearings under the control of other local county courts. We will also retain 10 magistrates courts and five county courts on which we consulted, and I will list them. Magistrates courts will be retained at Abergavenny, Harlow, Kettering, Newbury, Newton Abbot, Skipton, Spalding, Stroud, Waltham Forest and Worksop. County courts will be retained at Barnsley, Bury, Llangefni, the Mayor's and City of London, and Skipton.

It is estimated that those measures will save £41.5 million during the spending review period, excluding closure costs, and bring in £28.5 million in receipts from the sale of assets. In addition, I expect substantial cost avoidance through avoided maintenance costs for closed courts and better targeting of resources for the Courts Service, as well as savings for the National Offender Management Service and the Crown Prosecution Service. Copies of all the relevant documents, and of the decisions on local justice area mergers and counter services, have been placed in the House Library.

This is the start of an important programme of reform for the Courts Service. I am determined to develop a proper, modern Courts Service and estate that does our communities proud. We are taking the difficult action on court closures that the last Government failed to take, so that we can raise the quality of the courts estate significantly across the board.

With that in mind, I can announce today that £22 million of capital will be reinvested to improve and modernise the courts to which work will be transferred. Within that are three particularly large projects: in London at Camberwell Green magistrates court, in Staffordshire at Newcastle-under-Lyme magistrates court and in Wales at Prestatyn magistrates court. There are also smaller schemes to make some receiving courts better. They include additional interview rooms and a secure dock at Huddersfield magistrates court and the conversion of rooms at Watford magistrates court to provide additional staff accommodation and security. In the next spending period, new courts will open in Chelmsford, Colchester and Westminster, and Woolwich Crown court will be extended. We will make further announcements on new court building schemes early in the new year.

We have, however, cancelled existing plans for a new magistrates court in Liverpool, because the scheme that was proposed is unaffordable, but I will investigate more affordable options to provide suitable accommodation for magistrates court work in Liverpool.

Our courts are failing fully to embrace technological advances that have the potential to revolutionise the way in which justice is delivered in our country. There is much that can be done. Court-to-prison video links provide a much more efficient way of doing things, but they are used in too few cases. In future, we want

[Mr Jonathan Djanogly]

victims and witnesses, when appropriate, to be able to give evidence in trials by live video link from a more convenient location.

We will begin by testing the principle of police officers giving evidence in summary trials by live video link from the police station. We expect that that will save the police time and money and enable more officers to spend more time out on patrol. We intend to test the idea in London in January, and in at least one other area soon afterwards, with the first cases likely to be heard in that way before the end of March. If successful, that could pave the way for civilian and expert witnesses to give evidence from a police station or other, more convenient locations, rather than having to travel to court.

We also want to give communities a greater say in how justice is administered in their areas. Proposals for problem solving and restorative justice were included in my Department's sentencing and rehabilitation Green Paper, published last week. We will consult on the use of neighbourhood justice panels to deal with low-level cases, empowering people to develop their own solutions to local problems and increasing community confidence.

In summary, this announcement forms an important part of my Department's clear vision for a step change in our justice system—one that protects communities from crime and works for, rather than against, the most important people in the system: the victims and witnesses. I commend the statement to the House.

Mr Andy Slaughter (Hammersmith) (Lab): I am pleased to see the Minister at the Dispatch Box for this important statement on the delivery of justice in local communities. I thank him for a copy of his statement in advance.

We missed the Minister in the debate on legal aid in Westminster Hall this morning. Members from all parties spoke passionately in defence of their law centres and citizens advice bureaux, which, like local courts, are facing wholesale closure. He will be pleased to hear that his hon. and learned Friend the Solicitor-General did as well as the Minister would have done in carefully avoiding responding to the many points that were raised.

Launching the consultation on court closures in June this year, the Minister said:

"The Government is committed to supporting local justice, enabling justice to be done and seen to be done in our communities."

I agree with that statement, but his statement today does not achieve that ambition. Perhaps a clue as to where the Government started to go wrong can be found in the next paragraph of the statement launching the consultation, which said that

"we increasingly use the internet and email to communicate…and we travel further…to do our weekly shop."

Perhaps we do, but that misses two points. First, courts are not like Facebook or Tesco. They are an important part of many communities in the same way as people regard police stations and town halls.

Claimants and defendants, witnesses and victims will all be inconvenienced and, in many cases, disconcerted by the loss of the local criminal or civil court, or both, only to find them replaced with anonymous court centres many miles away. Secondly, not everyone has the mobility or resources to travel long distances to find justice, especially in rural or remote areas. My first question to the Minister is to ask him to produce the calculations that have been done to determine the time it will take and the distance that will be covered in travelling to the replacement courts. He says that only a minority of court users will be disadvantaged, but that is not the view of the Lord Chief Justice or of his own colleagues. Responding on behalf of the Lord Chief Justice, Lord Justice Goldring noted that poor public transport meant it would be difficult for many people to

"arrive at court before 10am or return home after 4pm".

Will the Minister look again at travel arrangements and the times of journeys to the remaining courts after the Department for Transport and council cuts have taken effect?

The Minister consulted on closing 103 magistrates courts and 54 county courts, 30% of the total in England and Wales. He said today that 90% of that number will close—some 142. That would give an annual saving, based on his previous figures, of about £13 million, which is not significant in the context of the wholesale cuts going on in other parts of his Department but is a sizeable proportion of the running costs of lower courts. Will all this simply be handed to the Chancellor in the compliant if not willing way the Lord Chancellor has taken to adopting in asset stripping his Department? Or will some be reinvested in the remaining courts estate to improve the service to the public that the Minister says he wishes to see and to cope with the increased traffic from the closed courts?

The Minister said that some capital will be reinvested in specific projects, but there is no allowance for the extra pressures on remaining courts. Is that not proof that this is no more than a crude cost-cutting exercise with none of the benefits that he half-heartedly claims? He also said in July that

"Providing access to justice does not necessarily mean providing a courthouse in every town or city."

We would not disagree with that. Needs change and buildings wear out or prove unsuitable. It is right to seek economies while maintaining access and making the administration of justice more efficient. Although every closure decision is difficult, and many older courts have a historic and nostalgic importance, in government we were prepared to close less well-used or poorly functioning courts. We were endlessly criticised by the Minister for doing so, but the difference between our programme of review and his wholesale massacre of the local justice system is clear both from the quantity of closures proposed and the haste with which they will now proceed.

What is the Minister's timetable for shutting the doors of those historic courts? Why has he not published the results of the consultation before today? What impact assessments have been done? Is he prepared to defend the debilitating effect that longer journey times and unfamiliar surroundings will have on the frailest in our society, who often attend courts as victims and witnesses? Many domestic violence courts and family courts will have to move or close. What arrangements has he made to ensure that they go to suitable locations?

Under the previous Tory Government between 1979 and 1997, courts closed at the rate of 25 a year and, under the previous Labour Government, that fell to

13 a year, but now the Minister is proposing to close almost 150 in this Government's first year. To be fair, his colleagues have been as critical of the closure programme as Opposition Members, none more so than the Solicitor-General, the hon. and learned Member for Harborough (Mr Garnier), who told his local paper:

"I urge residents of Harborough and the surrounding locality to respond to the consultation...we need to organise and get the campaign rolling."

The International Development Secretary was even more incensed about the proposed closure of Sutton Coldfield court. He told his local paper that the

"very strong arguments which successfully defeated the attempt to close Sutton Magistrates' Court eight years ago will be just as strong, if not stronger".

The Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), criticised the Treasury. He said:

"The Ministry of Justice seem to have made serious errors with their figures...it's not just us they're after, but 102 other courts across the country. Yet I believe the fight is worth having—and that we can win."

No critic was stronger than the former shadow Justice Minister, who is now Attorney-General. He said:

"It makes a mockery of British justice that this government is considering closing 21 magistrates courts, despite the serious problems of violent crime and anti-social behaviour we face."

Conservative and Lib Dem Members have all sounded off in their local press and in the House, but as reported in the *Evening Standard*, this is an

"I back cuts - but Not In My Backyard"

policy. Opposition to the Minister's policy is growing all over the Government Benches, including from those on the Front Bench. Opening the gates of the prisons and handing ballot papers to the few left inside looks positively—

Mr Speaker: Order. I trust that the shadow Minister is in his final sentence. He has taken almost as long responding to the statement as the statement itself took. Members must realise that this is not a debate. A response to a statement is a brief response and a series of questions. I hope that that is now clear for the future, because sight has been lost of it, and must be regained at once.

Mr Slaughter: I am most grateful, Mr Speaker—you predicted absolutely correctly that I am coming immediately to the end of my response to the Minister's statement.

This wholesale closure sums up the Government's approach to cutting local services in this and every other area—"Let's get on with the cuts and worry about the effects later." This programme of closures amounts to a wholesale destruction of this foundation stone of much of British justice, and the Minister should be ashamed to bring it before the House.

Mr Djanogly: In his rather concise statement—or perhaps it was not—the shadow Minister said that the savings are not particularly significant, and then immediately went on to accuse the Government of asset stripping. I do not see the consistency in that. However, the economic circumstances that Britain faces and the imperative of reducing the national debt pile amassed by the previous Government's bout of carefree spending impacts on our proposals, which form part of the commitment of the Ministry of Justice to reducing spending by £2 billion.

Savings apart, I am convinced that the current court system is not efficient enough, that it should provide better value for money, that it should make better use of technology, and that it should provide a better service for court users. The hon. Gentleman accuses me of the wholesale closure of legal aid and CABs, and of the wholesale massacre of the Courts Service, but he must tell us where he would rationalise and save.

The Labour party manifesto said:

"To help protect frontline services, we will find greater savings in legal aid and the courts system".

If the hon. Gentleman is to be credible, therefore, he must give us his view of how justice is to be delivered. If he would put more money into legal aid, would he take even more money out of the courts, or vice versa? Until he tells us how he would be prepared to spend the money, I am afraid that he will not get people's trust on this matter. He seems to suggest that closing courts is bad in every case.

The hon. Gentleman asked for the financial workings, and I am pleased to say that the impact assessments have been published and are there for him to look at. The utilisation figures take into account the additional work and remaining courts that will come into existence. The timetable is that the first courts will start to close on 1 April next year, and I can confirm that travel arrangements will be organised on a local basis. It is important to make the point that during these reorganisation proposals, we have been considering not just closures but how we can best reorganise the remaining Courts Service. That includes looking at how people can best get to their local courts.

Delivering justice is about more than protecting bricks and mortar. The hon. Gentleman talks about it being like Facebook. In reality, courts are not like post offices either—they are not places that people go to every day of the week. Of equal importance is the quality of justice. It is important that people have use of a fit-for-purpose building that has good listing facilities and gets cases heard promptly. Proximity is important, but it is only one of a number of issues to be considered, and we have considered those issues carefully.

Sir Alan Beith (Berwick-upon-Tweed) (LD): There is clearly a case for making savings where courts are close together or little used. However, why have Ministers taken relatively little account of the representations of the Lord Chief Justice, particularly on the Courts Service in what he described as vast rural areas, such as Alnwick and Tynedale in Northumberland and places elsewhere in the country? Will benches not find it necessary—at least sometimes—to go out to parts of their areas, possibly even to hear cases in places where they are still courthouses, given that they cannot be sold and are still public property?

Mr Djanogly: My right hon. Friend is passionate about the Courts Service, as I know not least from my appearance before him and the Justice Committee. However, it is important to point out that the Lord Chief Justice's response came from the foreword to a report of the

[Mr Djanogly]

senior presiding judge, and that the report did not represent a response on behalf of the entire judiciary. The senior presiding judge was collecting the remarks by various judges around the country. It needs to be seen in that context. Indeed, the report was given careful consideration, as were all the responses.

Several hon. Members *rose—*

Mr Speaker: Order. As usual, there is much interest and little time, so brevity from Back-Bench and Front-Bench Members is vital if I am to accommodate the level of interest.

Mr George Howarth (Knowsley) (Lab): The Minister is well aware, not least from correspondence from me, that the data on which he based the Knowsley magistrates court decision were deeply flawed. He has not yet addressed that deeply flawed data. Why has he gone ahead with a proposal that he knows will not work? To make matters worse, why has he also decided that there will be no additional capacity in Liverpool by scrapping the capital investment programme? The Deputy Prime Minister refers to this as a progressive Government, but the past two days have proven that it is a wrecking-ball Government.

Mr Djanogly: It is not the case that we have not reinvested. As I said in the statement, we are reinvesting in the remaining courts. The right hon. Gentleman asked about errors in the consultation data. There were 16 area consultation documents. A small number of errors were found, but none was considered to be material to the consultation. In one area—north Wales—even though we were advised that the errors did not affect the consultation, I personally decided that the consultation documents should be sent out again, and that was done. However, we do not maintain that the figures were put out in error—quite the opposite. On the whole, they were accurate.

Mr Roger Gale (North Thanet) (Con): On 16 November, one Under-Secretary at the Ministry of Justice told me in a parliamentary answer that it would be highly desirable if more work that was currently done by Crown courts were carried out by magistrates courts. He agreed that there was waste in the Crown courts. On the same day, the other Under-Secretary at the Ministry of Justice told me that following the closure of magistrates courts the same amount and the same type of work would be done by the other magistrates courts. Which is right?

Mr Djanogly: It is true that in terms of capacity, Crown courts are almost bursting at the seams, which is why my hon. Friend will see that not a single Crown court is proposed for closure in the list. One of the great challenges that we face is to ensure that work that should more appropriately be carried out in magistrates courts does not go to the Crown court. Both the legal aid Green Paper and the sentencing and restorative justice Green Paper have provisions to encourage that.

Hazel Blears (Salford and Eccles) (Lab): I frankly do not understand the Minister's decision on Salford magistrates court. Not only do we have the support of the Lord Chief Justice—who said that Salford city council's alternative proposal should be supported and the court should remain open—but the city council would have met the maintenance backlog and the ongoing revenue costs for the court. There would have been no cost to the Department. I believe that this decision flies in the face of all logic. We have had a court in our city for 1,000 years, doing fantastic community justice work of the kind that the Minister has talked about. We have had a court for 1,000 years: it has taken this Government just six months to put an end to that.

Mr Djanogly: The right hon. Lady came to see me with members of her local authorities, and she spoke strongly in support of her court—I recognise that—as did members of her visiting delegation. However, that court has a low utilisation rate, and a building and facilities that are not adequate. The court is going to be closed because of those factors, as well as its close proximity—about half a mile—to Manchester City magistrates court, which can import the work. I am afraid that it is that close—1,000 paces to one of the finest magistrates courts in England and Wales.

Heather Wheeler (South Derbyshire) (Con): I wrote to the Minister at the time regarding the potential closure in Burton. People in South Derbyshire go there, and it takes much more than an hour to get to Derby. There is no way on God's earth that we can get to Newcastle-under-Lyme, so would he be kind enough to arrange a meeting to look at our plan B in South Derbyshire, for a new civic centre that can take over such work?

Mr Djanogly: My hon. Friend the Member for Burton (Andrew Griffiths) secured an Adjournment debate in July, and I think he accepted the need to make savings, but urged Ministers to consider the wider impacts. There is a high density of county courts in Staffordshire and west Mercia. Burton sat for 199 days in 2009-10, and there are no members of the judiciary based permanently at the court. Although facilities are adequate, closure would mean that Her Majesty's Courts Service would not be liable for an additional investment of around £450,000. None the less, I would of course be delighted to meet my hon. Friend to discuss the matter further.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): The maintenance figures used by the Minister to justify closures in Wales were wildly inaccurate. On the second attempt he got them wrong again, and on the third attempt they were wrong yet again. He is using fairytale figures to support his arguments. The closure of Pwllheli magistrates court—which was vehemently opposed by the Lord Chief Justice, the presiding judge and everybody who knows anything about that area of Wales—leaves my constituency with one court to serve a patch that measures 100 miles north-to-south and 100 miles across. Is that local justice?

Mr Djanogly: Having considered the matter, we believe that local justice will be maintained in the hon. Gentleman's constituency. The fact of the matter is that Pwllheli magistrates court has a very low utilisation rate—29% in 2009-100—offers limited facilities for victims and

witnesses, and is only partially disability-compliant. The work undertaken at that court can be easily accommodated in the recently purpose-built Caernarfon criminal justice centre, which offers far superior facilities for all court users.

Stephen Barclay (North East Cambridgeshire) (Con): There will be great dismay at the closure of Ely and Wisbech magistrates courts in North East Cambridgeshire, particularly as the magistrates court in the constituency next door—the Minister's own—is to be retained, as are county court hearings. There were factual errors in the consultation on Wisbech court, such as taking one-off costs as running costs. There were also omissions, such as ignoring the potential of transferring work from Ely to Wisbech to increase its utilisation rate, and underestimates of revenue, involving such elements as charging the police nothing for the use of the court building. In the light of that, will the Minister place in the Library the figures that were used after those errors were pointed out, so that we can see exactly what this decision was based on?

Mr Djanogly: Yes, I am pleased to say that the impact assessments have been published today, and my hon. Friend will be able to have full sight of those figures.

Simon Danczuk (Rochdale) (Lab): To say that this announcement is disappointing is an understatement. Justice will no longer be done in Rochdale, nor will it be seen to be done. If the Minister believes that victims, witnesses and the accused will travel mile upon mile for justice, he is sadly mistaken. Rochdale court has one of the highest utilisation rates in Greater Manchester, and some of the best possible facilities, including video links and secure rooms for witnesses. It has a fantastic bench and great staff, and it is completely fit for purpose. This decision will not affect people like the Minister, but it will affect people who live in Rochdale. Will he reconsider his decision?

Mr Djanogly: No, I am afraid to say to the hon. Gentleman that the decision has been taken. Rochdale magistrates court is a busy court with a good utilisation rate, but it will close because of low utilisation across the Greater Manchester area. It is important to point out to the hon. Gentleman and other hon. Members who are making related points that during the consultation we did not look at the individual courts in isolation. Yes, we looked at each court on its own, but we also looked at them in the context of other courts in that local justice area. That has sometimes meant that courts with high utilisation figures have still had to close because, in an area context, they are not efficient.

Tessa Munt (Wells) (LD): I would like to tell the Minister about my concerns for the people who live in rural Somerset. That includes my constituents and those of my hon. Friend the Member for Somerton and Frome (Mr Heath). The Government intend to close Bridgwater court and Frome court, which, as the Lord Chief Justice has recognised, will leave any number of people unable to reach a court inside one day's travel by public transport. Will the Minister consider introducing a proper system for booking appointments, so that people can attend court at 3 or 4 o'clock in the afternoon? In that way, there might be some hope of their reaching the court in which they are intended to appear. Secondly, can he make certain—

Mr Speaker: Order. I think we will make do with one question. Just before the Minister replies, may I remind the House that I am trying to help Members, but that Members must be prepared to help each other? That means short questions and short answers.

Mr Djanogly: Thank you, Mr Speaker.

The court was used for only 23% of the available time in 2009-10, and the standard of accommodation falls far short of what is now expected by court users. However, consideration is to be given to those living in the north of the area having their cases heard at a more convenient court in the Avon and Somerset area.

Mr Eric Illsley (Barnsley Central) (Lab): The Minister has already announced that Barnsley county court will be retained, but can he confirm that he has accepted the view of most of the statutory agencies that the county court should be joined with the magistrates court? Is that merger going to take place?

Mr Djanogly: I do not have an answer to that question. I will look into the matter and come back to the hon. Gentleman.

Mr Bernard Jenkin (Harwich and North Essex) (Con): The Minister is to be commended for coming to the House to make an oral statement on what was inevitably going to be a difficult announcement. Will he confirm that Harwich magistrates court was already earmarked for closure by the Labour Government? Can he also give me an assurance that Harwich will stay open until the new court facilities in Colchester have been constructed and are up and running?

Mr Djanogly: The answer is yes, in both cases.

Ann Clwyd (Cynon Valley) (Lab): The shadow Minister, my hon. Friend the Member for Hammersmith (Mr Slaughter), asked whether the Minister would share with the rest of us his calculations on travel times. I assume that he will also put his answer in the Library, and I would like him to confirm that. There will be considerable anger in the Cynon Valley about the decision to close the Aberdare courthouse, and I do not know where the Minister's calculations on travel times have come from. I invite him to join me on a bus through the Cynon valley, to find out that from many of those areas it is impossible to reach Merthyr Tydfil within an hour.

Mr Djanogly: Travel times were worked out by the Courts Service. The difficulty is that times will vary from one part of an hon. Member's constituency to another, so it is the average times that have to be taken into account.

Julian Smith (Skipton and Ripon) (Con): I thank the Minister for listening to my constituents in Skipton and the Yorkshire dales. Will he pay tribute to the campaign

[Julian Smith]

run by the local newspaper, the *Craven Herald*, which explained the devastating impact that the closure of the court in Skipton would have had in this most rural part of England?

Mr Djanogly: My hon. Friend spoke forcefully in an Adjournment debate and then met my officials and me. He made a persuasive case, and his local area made a persuasive case, and when we thought it about carefully we decided he was right that the court should stay open.

John Mann (Bassetlaw) (Lab): I am relieved that the robust campaign for Worksop magistrates court has eventually been listened to. To avoid ambiguity in the future, will the Minister confirm that the previous functions of Worksop county court will be run from Worksop magistrates court in the future?

Mr Djanogly: That is my understanding, yes.

Dr John Pugh (Southport) (LD): Why is the Minister still looking for magistrates court space in Liverpool while closing down the purpose-built Southport magistrates court? Where is the sense or the saving in that?

Mr Djanogly: Replacement of the inadequate facilities at the Liverpool magistrates courts at Dale street and Victoria street is, and remains, a top-priority scheme for Her Majesty's Courts Service.

Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Minister's statement. Will he confirm that millions of pounds are wasted each year by commuting prisoners to and from court, and that better use of technology could deal with PCMHs—plea and case management hearings—first appearances and mentions at the Crown court and the magistrates court?

Mr Djanogly: I am absolutely convinced by what my hon. Friend has to say. Millions of pounds are currently wasted by witnesses, lawyers and defendants all moving around the country. Many problems could be solved through the use of technology.

Albert Owen (Ynys Môn) (Lab): I acknowledge and welcome the retention of the county court at Llangefni—and I congratulate the Minister on pronouncing it correctly. The Minister said that part of the exercise was to save money. Will he acknowledge the important economic impact of courts and legal services on towns across the United Kingdom, and was that taken into account during the review?

Mr Djanogly: The purpose of the review was not to look at the impact of the closure of courts on the wider economies within towns, but the work will go to the remaining courts, which will have implications for putting money back into the system in those other courts.

Mr David Burrowes (Enfield, Southgate) (Con): I declare an interest as a court duty solicitor. I welcome the reprieve of Waltham Forest magistrates court, which has particularly effective family and youth court provision. I urge my hon. Friend to develop opportunities with local authorities to accommodate appropriate youth court hearings, so that we can deliver effective localised justice.

Mr Djanogly: Effective localised justice is an important part of the Green Paper that my right hon. and learned Friend the Secretary of State published last week, so I can say yes to that. As regards Waltham Forest, again, a delegation of Conservative and Labour Members came to see me and made a very persuasive case for that court.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Ammanford court in my constituency was recently refurbished at a cost of £59,000 to make it one of the most modern courts in west Wales. Is it not a colossal waste of public money to close that court now?

Mr Djanogly: We have had to take some tough decisions; of that there is no doubt. As I said before, we are dealing with this on an area basis as much as on a court-by-court basis. That is an important point, because people have been able not only to assess how courts impact on an area overall, but to see how their own areas have been treated in comparison with other parts of the country. That, to me, has made this a very fair consultation.

Robert Halfon (Harlow) (Con): My constituents will strongly welcome the decision to keep Harlow magistrates court. Ours is a growth town that provides value for money. Will the county court's functions be transferred to the magistrates court or to Chelmsford? If they are transferred to Chelmsford, will consideration be given to people who have difficulty in travelling? Will a satellite county court be provided?

Mr Djanogly: Yes, and it is hoped that the retention of the magistrates court will enable business to be conducted across both.

Andrew Percy (Brigg and Goole) (Con): Goole magistrates court is provided by the local police authority at a peppercorn rent, and is connected with recently refurbished cells at the police station. Its closure will leave residents in the western part of the East Riding a considerable distance from local justice. Will the work at Goole be transferred to Hull, or will my constituents be expected to get on a bus, travel past the magistrates court in Hull, change buses and continue on a different bus to Beverley, as was suggested in the consultation?

Mr Djanogly: The court at Goole is closing not least because of low utilisation, but when we looked at the responses to the consultation, we realised that the travel arrangements of people using public transport were different from those of people using private transport, and we think that it will be possible to use not only Beverley but Hull. That was one good outcome of the consultation.

Dr Sarah Wollaston (Totnes) (Con): My hon. Friend has confirmed that the work of Totnes magistrates court is to be relocated. I know he is aware that the building provides an useful facility for the coroner and

those who assist him in his work, such as Victim Support, and also that the citizens advice bureau has worked extensively on a plan to share the court building. Can he assure us that this important local asset will be put to its best local use by those valuable organisations?

Mr Djanogly: My hon. Friend has raised an important point. I hope that the answer is yes, and if I can be of assistance she should get in touch with me to that end. Courts will be empty, and there may be local authorities or other local agencies that could make use of them. Now that we have a final list of the courts that will close, that process can begin.

Alun Cairns (Vale of Glamorgan) (Con): The Minister has announced the closure of Barry magistrates court. I believe that that decision was simply wrong. More than £1 million was spent on the court last year, it has extremely high utilisation rates and it is the only court in the county of Vale of Glamorgan. Will the Minister share with me the data on which he based the decision, and will he confirm his agreement to meet the chairman of the bench and me to discuss the matter?

Mr Djanogly: I certainly will, but, again, the court has low utilisation, and Cardiff is just 9 miles away, with a good public transport infrastructure.

Gordon Henderson (Sittingbourne and Sheppey) (Con): The Minister says that his proposals will provide a better and more efficient justice system. Will he accompany me to the east end of Sheppey, and explain to residents there how justice will be improved now that they will be forced to travel to Canterbury or Medway—a journey that can take up to three hours on public transport, if public transport is available, which it is not after 6 pm?

Mr Djanogly: Of course I will meet my hon. Friend if that is what he wants, but I have already met him and we have discussed the issues. Again, the court was considered in the context of the area, and we believe that we made the right decision.

Mr Mark Williams (Ceredigion) (LD): May I ask the Minister to reflect not just on north Wales, as he has been asked to do, but on the huge tract of west Wales which will now be left without convenient access to a magistrates court, and, critically, without the public transport that would allow him to realise his dreams? There simply is not adequate public transport to take people from Ceredigion up to Aberystwyth. Will the Minister think again about the transport issues on which he and his officials have reflected?

Mr Djanogly: We have considered transport very carefully, and we concluded that one hour on public transport was the right amount of time. Originally, a lot of those courts were instigated on the basis of half a day's horse ride, but we thought one hour on public transport should be adequate.

Bob Blackman (Harrow East) (Con): There will be widespread concern about the closure of Harrow magistrates court, not least because it is fully utilised and we demonstrated in the consultation that it will cost money to close it rather than keeping it open. The alternative means transferring the work to areas that are impossible to reach by public transport, even in London. There will also be concern that the Minister refused to receive an all-party delegation from Harrow council and the bench, and I ask him to hear those people so they can put their arguments in person.

Mr Djanogly: I am afraid that the time for consultation has now passed and the decision has been taken. The problem with Harrow is that there is considerable capacity at neighbouring courts, and they offer much more modern facilities.

Sheryll Murray (South East Cornwall) (Con): The Minister will be aware that documents on his website cite the travel time from Liskeard to Bodmin because it is proposed to close Liskeard magistrates court, but he does not seem to have taken into account the travel time from the rural parts of my constituency such as St Cleer and Kelly Bray. Can he confirm that he has taken into account that travelling time, and the availability of public transport?

Mr Djanogly: Yes, we did take those into account.

Nigel Adams (Selby and Ainsty) (Con): What consideration was given to the fact that just two years ago the thick end of £1 million was spent on making Selby magistrates court Disability Discrimination Act-compliant? I fully understand that the Government inherited a financial mess, but if Selby magistrates court is now to be closed and sold off, the taxpayer will be facing a huge loss. My constituents will be keen to see the impact assessment on which that decision was based.

Mr Djanogly: Investment has been made in various parts of the estate at various times, but the courtroom capacity at York magistrates court, coupled with the flexible listing practices, will enable Selby's work to be absorbed effectively into York.

Mr Robert Walter (North Dorset) (Con): I am doubly disappointed, because the Minister did not give me prior notification of a court closure in my constituency. The closure of the court at Blandford means that residents of Dorset will have access to justice only on the coast. Residents in the expanding towns of Shaftesbury and Gillingham will not be able to get to Weymouth before 12 noon, and will have to leave by 2 o'clock in order to get back the same day. Will the Minister meet me and the lay magistracy to talk about this matter?

Mr Djanogly: As I have said to other hon. Members, the consultation period has now finished, but I must point out that my hon. Friend's local court was used for only 29% of the available time. I am sorry to hear that he had not received notice, and I will look into why that was the case.

Jonathan Lord (Woking) (Con): The Minister will appreciate that I am extremely disappointed by the decision to close Woking magistrates court. As he saw in my submission and that of the bench, it has very high utilisation rates, a purpose-built court, fantastic disabled access and excellent youth witness provision. How does

[Jonathan Lord]

this decision fit with the criteria for the consultation, because many outside independent people, including judges, looked at it and did not think that Woking fitted those criteria?

Mr Djanogly: My hon. Friend made a very cogent case for the retention of his court, and put the local case very strongly. I have to say that the judgment was finely balanced, but ultimately this decision was taken because the utilisation rate in the Surrey courts has been below 80%, and transferring work to Staines and Guildford magistrates courts will result in the rate increasing to 89%.

Guy Opperman (Hexham) (Con): I disclose my former profession as a barrister. Tynedale in Northumberland has almost 1,000 square miles without a court. The consultation used poor-quality figures and they were badly applied. If they are wrong, does the Minister accept that the claim is capable of judicial review?

Mr Djanogly: We do not believe that the figures we consulted on were wrong.

Neil Carmichael (Stroud) (Con): I am delighted that Stroud magistrates court will remain open. I regard it as an example of an efficient modern court, and I think it is consistent with the whole approach of the Ministry of Justice. Does the Minister agree?

Mr Djanogly: On review, yes.

David T. C. Davies (Monmouth) (Con): I, too, am deliriously happy today, and I thank the Minister for listening to the arguments that I and the people of Monmouthshire put forward to save Abergavenny court from closure. Will he assure us that consultations by this Government will continue to be proper exercises, and not just the shams that we have seen in the past 13 years?

Mr Djanogly: I thank my hon. Friend for those comments. Clearly, things were not all bad in Wales. We wanted to do a full consultation, as the previous Government had been closing courts in dribs and drabs—a court here and a court there. One of them was operating as a pizza shop, and another had had the roof burned off for three years before we came in and closed it. This Government are consulting fully and putting forward a strategic plan across local areas where people can take a strategic view on a national basis.

Mr Philip Hollobone (Kettering) (Con): Residents in the borough of Kettering will be pleased that the Minister has listened to the vigorous local campaign and decided to save Kettering magistrates court. What were the main factors behind his very welcome decision?

Mr Djanogly: The court will remain open because of concerns raised about the capacity of the receiving court at Northampton in light of the decision to close Daventry and Towcester magistrates courts.

Mr David Nuttall (Bury North) (Con): I, too, remind the House of my former profession as a solicitor. I warmly welcome the Minister's statement, particularly the welcome news that Bury county court will remain open. Will he confirm that that is not a temporary reprieve but a permanent decision? Also, I am slightly concerned that the decision to close Rochdale magistrates court will require a great deal of extra capacity at Bury magistrates court, especially as Rochdale already takes in the Heywood and Middleton benches. Has he taken that into account?

Mr Djanogly: Yes, we have: we will be doing about £170,000-worth of work to accommodate the work from Rochdale magistrates court.

Christopher Pincher (Tamworth) (Con): The state of the public finances notwithstanding, many people in Tamworth will be bitterly disappointed by the loss of both our county court and our magistrates court, which is the most utilised court in Staffordshire. What assurances can my hon. Friend give my constituents that the video-link technology between courts and police stations will be rolled out quickly so that our police will not spend all their time on the A38 to Burton, and that vulnerable people who will have to spend a day-long round trip going to Stafford county court will not have justice put beyond their means?

Mr Djanogly: The court is closing because it has a sitting day allocation of only 76 days, and the work will transfer to Burton magistrates court. I can tell my hon. Friend that we will be pushing ahead with the additional use of technology, which we see as the future. As things stand, the Courts Service does not make adequate use of modern technology.

Andrew Griffiths (Burton) (Con): The Minister has already heard the genuine concerns about the closure of Burton county court. He said today that nobody should have to travel for more than an hour to get justice, but under these proposals my constituents will have to go to either Derby or Stafford. On public transport, that takes two hours and 23 minutes; on the train it takes an hour and 40 minutes. Will he meet me to ensure that my constituents will get access to the court in Derby rather than the one in Stafford?

Mr Djanogly: We would be happy to discuss that with my hon. Friend. We propose that work will transfer to either Derby or Stafford depending on which is closer for the parties involved, so I think we are heading in the right direction.

Michael Ellis (Northampton North) (Con): I declare my interest as a barrister—in fact, I have appeared in a couple of these courts. The Minister mentioned how busy Northampton magistrates court is, and said that that had been factored into some of his decisions. Some of the hearings in magistrates courts are very short, and some magistrates courts are under-utilised, so can my hon. Friend confirm that because of the shortness and frequency of such hearings, they are particularly susceptible to the use of video link and other modern technology, and that savings could thus be made across the board?

Mr Djanogly: They are indeed. I have visited the pilot projects in south London, which work extremely well. We have to review their cost implications and we want to extend the pilots to help witnesses.

Angus Robertson (Moray) (SNP): On a point of order, Mr Speaker.

Mr Speaker: Order. I am grateful to the hon. Gentleman for the advance notice, but points of order come after the next business.

RAF Bases

Application for emergency debate (Standing Order No. 24)

4.30 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I seek leave to discuss a specific and important matter that should have urgent consideration—the closure of RAF bases.

Members on both sides of the House will be concerned about recent briefings from the Royal Air Force and the Ministry of Defence on the proposed closure of bases that have been reported in today's press. As the House will now know, the RAF has made a series of recommendations to the MOD about the proposed closure of bases. My concerns, and the reasons why I am proposing a debate under Standing Order No. 24, are twofold: first, the Government have not provided coherent criteria on which the decisions are to be made and, secondly, they have still failed to give a timetable for making and announcing the decisions.

The Government have left the affected communities, service personnel and their families and Members of the House unclear and confused as to the basis on which they will make those important decisions. The Chief Secretary to the Treasury said that the decision would be motivated by socio-economic considerations, while the Secretary of State for Defence said yesterday that it would be a strategic defence decision alone and the Prime Minister and his Chancellor have said that the decision would be based on budgetary considerations.

With Christmas only a few days away, this is obviously causing a great deal of uncertainty for our service personnel, some of whom are currently serving overseas, and for their families. I do not believe that is fair or just. Furthermore, the next scheduled Defence questions are not until the end of January, which will mean a seven-week wait for clarity and for scrutiny of Ministers. Our serving personnel and their communities deserve to know on what basis—from the three put forward by individual members of the Government—the decisions will be made, and when.

As you know, Mr Speaker, I have huge respect for the House and the role it can play in bringing clarity to issues that affect communities across the United Kingdom. If my application is successful, the debate will give right hon. and hon. Members the opportunity to present their cases. That will ensure that the debate is open and constructive, thereby affording the Government and the House a more rounded picture of community interests and feelings about an important issue before the House rises for Christmas.

Our gallant armed forces, who are serving their country, deserve better than the shoddy treatment they have received today.

Mr Speaker: I have listened carefully to what the hon. Gentleman said, and I have to give my decision without stating any reasons. I am afraid that I do not consider that the matter he has raised is appropriate for discussion under Standing Order No. 24 and I cannot, therefore, submit the application to the House.

Points of Order

4.33 pm

Angus Robertson (Moray) (SNP): On a point of order, Mr Speaker. Moray is the most defence-dependent community in the UK, and the Government have already announced the closure of RAF Kinloss in the region, while the future of neighbouring RAF Lossiemouth has been under review. It has now been widely reported that the Royal Air Force has made a recommendation for the retention of RAF Lossiemouth, which would reflect the strong defence and financial arguments in its favour. Unfortunately, it appears that RAF Leuchars in Fife is now being considered for closure. Has the Ministry of Defence given any indication that it will make a statement on those recommendations, as we need an end to uncertainty both in Moray and in Fife?

Sir Menzies Campbell (North East Fife) (LD): Further to that point of order, Mr Speaker. You have gone out of your way to emphasise that when important Government decisions are announced, they should be announced in the House and not in any other way. The issue of Royal Air Force bases in Scotland and elsewhere appears to have been the subject of a number of leaks. I have no notion where these leaks come from, but there is no doubt that they add to speculation and to the kind of uncertainty that the hon. Member for Dunfermline and West Fife (Thomas Docherty) mentioned in his application for a debate under Standing Order No. 24. I hope you might take the opportunity today, Mr Speaker, to reinforce your belief that when important announcements are to be made, they should be made to this House and not elsewhere.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Further to that point of order, Mr Speaker.

Mr Speaker: We will have a last go from Mr Fitzpatrick on a point of order, then I will respond to them all.

Jim Fitzpatrick: I am grateful, Mr Speaker. Much of air-sea rescue is delivered by the Royal Navy and the Royal Air Force, but some is delivered by the Maritime and Coastguard Agency. It is suggested that the coastguard service's stations and the bases run by the MCA will be cut. That is a major statement which the Government ought to make to the House, rather than have it leaked by the MOD, the *Financial Times*, a civil servant or whoever. I strongly support my hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) and right hon. and hon. Members who ask that the Government explain to the House the future of the air-sea rescue service.

Mr Speaker: The hon. Members for Moray (Angus Robertson) and for Poplar and Limehouse (Jim Fitzpatrick) and the right hon. and learned Member for North East Fife (Sir Menzies Campbell) have all raised extremely important points of order on the back of the speech in support of the application for a Standing Order No. 24 Adjournment debate.

First, I am conscious of press commentary, not least because of what right hon. and hon. Members have said, but I think it fair to point out that there is sometimes a difference between press commentary and speculation on the one hand, and a firm Government decision on the other. Secondly, I note the presence of two responsible Ministers in the Chamber, which I think is appreciated by the House. I noted that when the point was made about statements needing to be made to the House, the Under-Secretary of State for Defence, the hon. Member for South Leicestershire (Mr Robathan) was nodding vigorously his assent to that proposition.

The last point that I would make, specifically responding to the right hon. and learned Member for North East Fife, is that he is right. If a decision has been made, it should be reported timeously to the House so that the responsible Minister is subject to scrutiny. I hope the House will understand if I say today that I am not in a position to issue a verdict, but the point has been made forcefully. I hope it will have been heard on the Treasury Bench and that all proper procedures will be followed in this matter. I hope they will be, and I am quite sure, in light of the experience and perspicacity of the Members who raised their concerns, that if there were anything amiss or awry, those Members and others would bring it to my attention and that of the House before very long.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): On a point of order, Mr Speaker. I wonder if you can assist me. The court closure announcement that we heard just now was, in the case of Welsh courts, predicated on back maintenance figures which proved to be 100% inflated. Even on the second attempt to correct them, they were completely inaccurate. Were the announcement made outside the Chamber, I would say that it was justiciable. What can I do about this? I feel badly let down by the process.

Mr Speaker: The hon. Gentleman is seeking to continue the debate. I understand his frustration. My advice to him is that he should look for an opportunity to air his concerns in the Chamber. As he is aware, there is an innovative version of the Christmas Adjournment debate taking place under the auspices of the Backbench Business Committee next week. He might want to view that as an opportunity. There are opportunities in Westminster Hall. There will be further opportunities at Question Time. In the meantime, the hon. Gentleman has reminded his constituents of the importance that he attaches to the matter.

Banking and Financial Services (Community Investment)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.39 pm

Hazel Blears (Salford and Eccles) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for a voluntary mechanism through which banks, building societies and other providers of financial services can support community projects through reinvestment of part of their profits and assistance in kind; and for connected purposes.

This Bill is intended to address the challenges facing communities and voluntary organisations throughout Britain, and I hope to show the House that the funding shortfall facing such groups is of such significance that without urgent action we run the risk of losing them. The Bill then proposes a solution that I hope the Government will consider to be an equitable and practical means of remedying the situation.

A recent New Philanthropy Capital report found that the Government's deficit reduction plan will lead third sector income to drop by between £3.2 billion and £5.1 billion, and that that gap is far too large to be filled by philanthropy and charitable giving alone. Only last week, Mr Thomas Hughes-Hallett, the chief executive of Marie Curie Cancer Care, warned of signs that charitable giving might fall sharply, and dramatic figures, such as Croydon council's 66% reduction in grants for voluntary organisations, are causing all such groups to fear for their future.

This means that organisations such as Wooden Hill in Bedford, a social enterprise that trains adults to work with and mentor young people, and Accept Care, which operates in Northern Ireland and works with disabled people to give them skills to be active in their communities, face possible closure. It is those organisations that this Bill is intended to help.

Everyone agrees that we cannot have a big society without money, and the Bill seeks to demonstrate that, if we really are all in this together, that has to include the financial sector as well. During the global financial crisis, when the financial sector was in trouble, banks turned to the public to provide the vital funds needed to help stabilise the financial sector. Now, community projects need help, and the Bill would give banks and financial institutions the opportunity to put something back and to provide communities with the funding and stability that they need.

A recent report by the Institute for Public Policy Research into the financial sector estimates that next year, in 2011, profits and bonuses in the UK financial sector could be as high as £90 billion. Even during 2007-08, only months before the bail-out, the financial sector reported gross trading profits of £58.2 billion. The IPPR report projects bonuses to increase to almost £15 billion by 2011-12, and it shows that the average bonus in the financial sector is more than eight times larger than the average bonus in the rest of the economy.

I do not use those statistics to bash the banks, because it is in all our interests to have a strong, vibrant financial sector in the United Kingdom; I use them to demonstrate the enormous figures involved. Given the size of the bail-out that the public provided, I believe it only fair that financial service providers consider investing some of their profits in our communities. By creating a mechanism through which they can do so, the Bill would ensure that community enterprises have the funding that they need to thrive and prosper and to serve local people.

Many of our banks, building societies and financial service providers are already active in our communities. Last year, the Barclays community finance fund was launched, giving grants to organisations that provide affordable credit to people in deprived areas. The scheme has been so successful that it is being extended, and over the next three years it will allow local authorities, other organisations and Members to nominate local community finance organisations, such as credit unions, to receive money from the fund. Furthermore, Barclays staff now voluntarily participate in various community schemes, making it a real partnership between the corporate sector and local community enterprises.

Last year, the Co-operative Foundation, with which many Opposition Members will certainly be familiar, invested £11.3 million in our communities, and more than 50,000 people responded to a survey to ensure that that funding was directed to the areas and projects that really needed it. Part of the success of the Co-op and Barclays schemes is that they use resources in places where they can make a real difference, leveraging other investment and making sure that our communities are sustainable for the long term.

The problem is more than just purely financial, however. The fundraising expectations survey of more than 900 voluntary groups showed that 70% are having difficulty recruiting staff and getting people into their organisations to do the work. That impacts most heavily on groups in the north. Understandably, many financial institutions focus their community work in the areas where they are based, and that is often in the south-east. By creating a fund that is accessible to all voluntary groups throughout the country, we can address that issue and ensure that funding for voluntary groups is not governed by their proximity to a financial centre. The Bill would also provide for non-financial contributions, for example, mentoring, help with personal development and practical measures, such as room hire. It would therefore create a framework to allow for an ongoing relationship between business and communities, instead of merely creating an extension of philanthropic giving.

The Bank of New York Mellon has been operating in my community of Salford for two or three years. It has 300 volunteers in the community who work with Salford young people. They give them experience, provide role models, go out to our schools and read in our schools. The bank has a fantastic relationship with the community and it is able to do that—and is encouraged to do that—because, in America, there is a system of tax credits for companies that take part in voluntary and community activity.

It is important to stress that the Bill would create a voluntary mechanism. It would not create duties or obligations but would provide incentives and opportunities for the providers of financial services to build a constructive partnership with their communities. There would be real benefits for the banks and financial institutions if they chose to take part. Through co-operation with their communities, the Bill would allow them to market themselves as being fully embedded with local people.

[Hazel Blears]

and they could use that as a way of demonstrating their real commitment to corporate social responsibility. The Bill would not penalise those companies who chose not to take part, but it would certainly reward those who did. If banks get involved in such work, their reputation will rise—and goodness me, the banks' reputation certainly needs to be repaired in the light of recent events.

The aims of the Bill are to ensure a sustainable source of funding for community projects; to establish a strong framework to support them; and to increase fairness by giving every community the opportunity to access the fund. That would benefit every area that we serve in the House. I am delighted that the Bill has received cross-party support, and I know that many members of the public will agree that developing the relationship between finance and communities can only be a good thing.

Hon. Members may have seen that senior bankers and customers of the Royal Bank of Scotland have recently enjoyed a £250-a-head Harry Potter Christmas party. They have enjoyed shopping in Diagon Alley and they have played Quidditch on broomsticks. That must be the financial wizardry we so often hear about. I hope that the House will join me in urging our banks and bankers to consider supporting our community projects; otherwise, we might have to get the Ministry of Magic involved and, unlike the British public, it might be willing to let some of our banks simply disappear.

Question put and agreed to.

Ordered,

That Hazel Blears, Jon Cruddas, Dr Stella Creasy, Chris White, Tim Farron, Mr David Blunkett, Harriett Baldwin, Siobhain McDonagh, Ms Gisela Stuart, Mr Bob Ainsworth, Paul Goggins and Simon Danczuk present the Bill.

Hazel Blears accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 18 March 2011, and to be printed (Bill 127).

SUPERANNUATION BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Superannuation Bill for the purpose of supplementing the Order of 7th September 2010 (Superannuation Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion two hours after their commencement at today's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mr Dunne.)*

Question agreed to.

Superannuation Bill

Consideration of Lords amendments

After Clause 1

CONSULTATION IN RELATION TO CIVIL SERVICE COMPENSATION SCHEME MODIFICATIONS

4.49 pm

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): I beg to move, That this House agrees with Lords amendment 1.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this we may take Lords amendments 2, 3 and 7.

Mr Maude: When I opened the debate on Second Reading in September, I set out—at some length, I regret to say—the history and background of compensation in the civil service since 1859. I do not propose to do the same this afternoon. However, it is timely to bring the story up to date as regards what has happened since the Bill left this House on 13 October to go to the other place.

I reiterate that from the day I first announced that the Government intended to reform the civil service compensation scheme on 6 July, extensive discussions have taken place between my officials—and myself on a number of occasions—and the civil service trade unions. Proposals were put to the Council of Civil Service Unions on 24 September. In the event, the council did not accept those proposals, but five of the unions—Prospect, the First Division Association, the Prison Officers Association, the GMB and Unite—approached the Government directly and asked to continue discussions on those terms. There followed an intensive period of meetings between the five unions and officials, which on 5 October resulted in an agreement between the negotiators on terms that might form the basis of a new compensation scheme. Later that day, the five unions wrote to confirm that they had accurately recorded an agreement that all their negotiating teams were able to recommend positively to their executives as being the best that might be achieved in negotiation.

Soon after 5 October, agreement was reached between the Government and the trade union negotiating teams. The POA's executive committee voted to distance itself from that agreement and to request further discussion. The sixth union, the Public and Commercial Services Union, withdrew from the talks at the point when the five other unions had agreed to negotiate separately with the Government. While the Bill was in the other place, the Government agreed a number of changes to it, and this House now has the opportunity to consider those. The group of amendments that we are dealing with responds to a commitment that I made when we discussed this on Report—that is, to reinforce the requirement for meaningful consultation on any changes to civil service consultation schemes.

The new clause includes a clear requirement that future consultation on any changes that would reduce the value of the civil service compensation scheme must be undertaken

"with a view to reaching agreement",

and it requires a report to be made to Parliament setting out the details of the consultation that had been carried

out with the unions. My noble Friend Lord Wallace of Saltaire accepted an Opposition amendment in the other place to delete wording that would have limited the content of that report to such information as the Minister considered appropriate. Lord Wallace also agreed that we would table written ministerial statements in both Houses when the imminent new scheme is laid before Parliament to draw attention to it and to the steps that have been taken to consult the unions. Furthermore, we agreed to limit to three years—this is the subject of the next group of amendments—the power to revive the caps in the Bill by order, and to drop our proposals that would have allowed that time limit to have been extended by a further six months at a time.

During the Bill's passage through the other place, the Government remained committed to trying to reach an agreement with the Council of Civil Service Unions. I made a number of personal approaches, both orally and in writing, to the PCS general secretary and to the POA inviting the CCSU to put forward alternative proposals for a reformed civil service compensation scheme and seeking to engage further. I reiterated the Government's continuing aim of reaching an agreement with all the unions. I have offered every opportunity to those unions that wish to engage constructively in negotiations. As I said, five of them did so, and their proposals formed the basis of the agreement on which the new proposed scheme is based. If the Bill goes through its processes and achieves Royal Assent, I would intend to lay that scheme before Parliament before Christmas.

On 9 November, the Council of Civil Service Unions wrote to me with suggestions for areas that could be considered in further talks, and I responded on 15 November. I have to say that the suggestions made in the council's letter would have had the effect of reducing the level of compensation paid to many lower-paid civil servants, and so it could not form the basis of further discussions. Having a new scheme that provides genuinely better protection for the lowest-paid civil service workers, many of whom are members of the PCS, has been crucial in all the discussions we have had. As I have made clear throughout the process, including when I made the announcement of our intention to reform and on Second Reading, that is crucial to the aims of the coalition Government.

I explained to the Council of Civil Service Unions that, in the absence of detailed proposals from the PCS, work would have to proceed on drafting the rules for a new scheme. Last week, my officials sent the draft rules for the new compensation scheme to the Council of Civil Service Unions to seek its views. Those rules will form the basis of the new compensation scheme, which as I said I intend to lay before Parliament as soon as possible, assuming that the Bill completes its passage and achieves Royal Assent.

The Lords amendments are intended to reassure the House, the unions and all stakeholders that the Government will consult fully with the unions should there be future proposals to change the compensation scheme that would reduce the benefits for civil servants. They merely put into statute what has always been our intention. Arguably, that requirement is already contained in the Superannuation Act 1972, but the amendments will put it beyond peradventure or doubt.

The amendments reflect the lengthy consultation process that I have just described. They are Government amendments that were made in the other place to respond to commitments that I made on Report and Third Reading. I am grateful for the constructive involvement of the unions and those on the Opposition Front Bench throughout the process of refining the amendments to achieve the maximum consensus.

Lords amendment 1, which is the lead amendment, inserts a new clause after clause 1. As I said, it makes it clear that consultation should be undertaken

"with a view to reaching agreement",

and it requires that a report of that consultation be laid before Parliament. The new provisions will apply when there is a change to the compensation scheme that will result in reduced benefits. The report would have to include details of

"the consultation that took place",

the steps that were taken

"with a view to reaching agreement"

with the unions or other persons consulted, and

"whether such agreement has been reached."

I repeat that the Government are committed to consultation with the unions. Like the previous Administration, we will always seek to reach agreement with all unions on changes to the compensation scheme. We know from experience that that may not always be possible, and in such cases, the report will explain why.

The effect of Lords amendments 2 and 3 is that the consultation provisions will come into force two months after Royal Assent. That is the standard interval before the commencement of new legislation. However, because of the need for certainty, the other provisions of the Bill will come into force immediately on Royal Assent. As a consequence, the requirement to publish and lay before Parliament a report on the consultation will apply to future changes to the compensation scheme, and not to those currently being developed for implementation when the Bill is enacted.

A requirement for a report on the current consultation would be nugatory, because no one can claim that there has been anything other than long and extensive consultation, carried out not just by myself and my officials, but by my predecessor in this process, the right hon. Member for Dulwich and West Norwood (Tessa Jowell), and the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), who is now on the Opposition Front Bench. This process goes back a long time: there have been three years of drawn out extensive consultation and negotiation. Parliament is well aware, and nobody can have any doubt, that the process has been extensive and thorough; it has been described by the right hon. Gentleman, the right hon. Lady and myself. Equally, it would be wrong to risk a further delay, while a report was prepared and laid before Parliament, before the proposed scheme could be introduced. I have agreed, as Lord Wallace said in the other place, to table written ministerial statements to set out what consultation there has been.

I hope the House will recognise that the Government are seeking to provide the additional reassurance that was sought by the Opposition, and that the changes to the Bill meet my earlier commitments.

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): May I start by expressing my gratitude to the Minister

[Mr Liam Byrne]

for the Cabinet Office and Paymaster General for the way in which he has brought the House up to date on his discussions and negotiations, for the tone and tenor of his remarks this afternoon, and for restraining himself from repeating the history of civil service compensation since 1859? The whole House is in his debt for that.

As we have said throughout all the stages of the Bill, we agree that civil service compensation is in need of reform. Indeed, we set it on its way. We now need to take account of the result of the judicial review, which tells us that what is needed is reform, but the right reform made in the right way. As we set about that exercise, and what I hope is the finalisation of our debates on the Bill this afternoon, it is incumbent on us to remember that for 500,000 civil servants—people who have given their lives to working in the public service—the Bill should not be a "blunt instrument" for negotiating purposes. For many people, it is about how they might keep their home, help their children through university or avert financial hardship while they have to look for a new job. The House must remember that the Bill's provisions are important and will have real-world impacts.

5 pm

On Report, my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) made it very clear that there were several areas in which we thought the Bill was not quite perfect and needed modification. The first cause of worry was what was then new clause 1. Throughout the process we have recognised the need for reform of the Superannuation Act 1972, and the High Court judgment made it very clear that there was a case for ensuring that the Government could compel a settlement and that no one union could veto changes to the civil service compensation scheme. However, the Government's ability to compel a settlement must be an activity of last resort once it is clear that common agreement cannot be reached. That was why we were not able to support new clause 1 on Report. It would have allowed the Government simply to impose changes to the scheme at any point, without consulting either the work force or representative trade unions.

We are very pleased that the Minister has made substantial progress as the Bill has proceeded through both Houses. As he eloquently summarised it, the latest draft of the new clause, which stands before us as Lords amendment 1, requires a report to Parliament on the consultation that has been carried out with trade unions if there are any further reductions in future. I was particularly grateful to hear him confirm that future consultation on changes would have to be undertaken with a view to reaching agreement. That is substantial progress and we are pleased that the Government have accepted our arguments on some helpful changes. No doubt we could quibble about the details, but the thrust of the Government's changes is in the right direction. We will therefore support Lords amendments 1, 2 and 3 and the consequential Lords amendment 7.

John Hemming (Birmingham, Yardley) (LD): It is rather sad that, again, there are relatively few people in the Gallery when we are debating such an important issue. We need to value the work of people who work for society and all our public servants. Obviously the terms of the civil service compensation scheme do not affect those in the NHS or local authorities, who have varied schemes that are often much worse than even the proposed new terms of the civil service scheme.

This is an important matter, and I am pleased to support the Lords amendments. They make it very clear that we will be bound by good practice and enter into proper and meaningful consultations, with a view to coming to an agreement. Although one particular trade union may continue to try to veto the scheme, that does not mean that we should ignore the need to try to obtain an agreement using a reasonable approach. I am very pleased with the Government's strategy of protecting people on lower incomes. That is an excellent thing to do, so I am pleased to support the Lords amendments.

John McDonnell (Hayes and Harlington) (Lab): Lords amendment 1 requires the Government to consult with the aim of seeking agreement, and provides for a report to Parliament in due course. Lords amendments 2 and 3 will bring the Bill into force two months after Royal Assent and I find it extraordinary that the Government see that as some form of concession, because the bulk of the staff who will be made redundant in the coming period will be made redundant under a scheme that is still to be imposed. The Government intend that that scheme will be introduced within the two months after Royal Assent, so there will be no report to Parliament, no commitment to consultation and no commitment to take steps to reach agreement, as is embedded in Lords amendment 1. The terms of the scheme, as they stand in the original proposals in the Bill, will be imposed. So although Lords amendment 1 proposes a system whereby there is at least some commitment to parliamentary scrutiny of the willingness and commitment of the Government to negotiate and seek an agreed settlement, Lords amendments 2 and 3 take away that commitment, because we know that the scheme will be amended within the two months to which Lords amendment 1 does not apply.

I cannot think of a better mechanism to incite industrial action. It could be construed as an act of contorted bad faith. Although there have been commitments in ministerial written statements, there has been no commitment to adhere to Lords amendment 1, because it would not otherwise be virtually vetoed by Lords amendments 2 and 3. In my view, that will not only result in industrial relations deteriorating but enhance the potential for legal challenges. It certainly will not enhance the legal protections for which the Government were hoping as a result of the amendments.

The amendments do not address the problematic core of the Bill, which is the imposition of caps and limits on the compensation scheme without the agreement of the unions representing the members affected. I have heard a lot about the four out of the six unions agreeing or recommending the scheme that is being imposed. I remind the House, however, that of the two main unions that represent the vast bulk—more than 75%—of the members affected, one, PCS, or the Public and Commercial Services Union, has not agreed the scheme and is recommending that its members reject it in the ballot; the executive of the other, the POA, has recommended that its members reject the scheme in the ballot, too.

I find it an absolute irony that in any future negotiations, which will, I suppose, probably be relatively minor

because the Government will impose the bulk of the change in the next couple of months, the House will have some form of scrutiny of the negotiations as a result of Lords amendment 1, but it will not be able to exercise it in those two months. The reason for that is that if there was a full exposure of what went on in the negotiations, it would provoke even more anger among PCS and POA members.

This has been the worst example of industrial relations practice that we have seen in years. First, there was the use of a "blunt instrument"—I use the Government's own words—of the threat of a Bill's being brought forward to impose such severe caps that many would have lost more than two thirds of the redundancy payments that they had acquired as accrued rights over the years. There was then an extremely crude attempt to divide and rule the unions. I believe that the POA is seeking some form of legal redress against the Minister for the Cabinet Office for some of his statements. Those practices have now resulted in the virtual chaotic breakdown of the formal negotiating structures that have held good under past Governments throughout the decades.

If Lords amendment 1 comes into force, at least there will be some reflection of the negotiations that took place—and it might be more accurate. As the Minister has dwelt on the process of the negotiations, perhaps I might put on the record an alternative historical account of what occurred. Yes, the civil service unions—all six of them—sought to negotiate some form of agreed settlement throughout the summer. They did that in the light of the threat of the imposition of a Bill that would cut significantly their members' redundancy payments.

In September, the Treasury intervened to insist on a cash cap on the new scheme, so there was no room to manoeuvre to improve the scheme beyond that cap. I believe that that significantly undermined the potential for a settlement. On 28 September, the Minister declared that he was pursuing agreement with five of the unions, excluding the PCS, and on 4 October a formal offer was submitted. On 11 October, PCS and the POA held a constructive meeting with the Minister, focusing on the cap on redundancy proposals and making proposals to redistribute from high earners to the vast majority of civil servants, enhancing the protection for the majority.

Mr Maude: The hon. Gentleman refers to a report of that meeting, but I can give him another account, because I was there—it was my meeting. No concrete proposals were made at that stage, and certainly not proposals that could in any way remotely or realistically redistribute benefits away from higher earners, whose payments are anyway capped under the scheme that we have agreed, towards the lower paid and particularly the lowest paid, who are much better protected now than they were under the previous Labour Government's scheme of last February.

John McDonnell: My understanding is that on 11 October, PCS and POA tried to explore with the Minister opportunities to make the scheme fairer and more just for their members, and to set out certain parameters in which negotiations could take place. The PCS executive was scheduled to meet on 26 October to consider the next steps in its negotiations with the Government, but on 25 October it received a letter from the Minister, who told them that negotiations had been concluded and that he would implement the proposals that he set out on 4 October. I do not consider that an appropriate way to seek agreement.

As a result, PCS wrote to the Minister on 26 October to say that it was willing to submit proposals. He welcomed that offer and confirmed he would reopen talks if proposals came from the Council of Civil Service Unions, which is exactly what the PCS did—it submitted the parameters and proposals via the CCSU in a constructive approach to reach agreement. The Cabinet Office made no attempt to go into any detail on those proposals or to cost them, and on 9 November, the CCSU submitted terms to open the detail of talks with the Minister, who must have been aware of the background to that letter and of the detail of the PCS proposals. However, on 15 November, he said that the window for talks was closed. Although PCS sent a further letter on 16 November, it was informed that there would be no future talks.

That is a different historical account of those negotiations. The unions, which represented the vast majority of their members, were open to continuing talks to reach an agreed settlement. If amendment 1 had been in place before those talks, the House might have had a more objective historical account of the negotiations than the Minister or I have given—at least we would have had the opportunity of receiving a full report. However, the Minister's amendments have denied us the opportunity of a report on those negotiations and allow a report only of future negotiations. That is extremely disappointing. It is another act that will undermine civil servants' confidence that they are being treated fairly by the Government at this critical time in their lives—we are told that 360,000 of them will lose their jobs because of the comprehensive spending review and subsequently.

In addition to souring the industrial relations climate, the Government have opened up a vista of legal challenges—under article 11 of the European convention on human rights and article 1, protocol 1—which has occurred before. Amendment 1 is the Government's attempt to find legal cover for their infringement of those articles, particularly article 11, but it does not go far enough. In fact, amendments 2 and 3 take away that cover completely in respect of the current negotiations. The Government's proposals are legally precarious to say the least. I am sure that there will be a legal challenge from PCS. I believe that it will be successful.

In the previous Government's negotiations, PCS threatened legal challenge, and it was advised by civil servants—they met us a week before the general election was declared—that the Government were confident of winning in court. The same civil servants advise this Government of the same thing. They were wrong before the election, and I believe that they are wrong now. In fact, PCS is yet to lose a case against the Government. We have the prospect of tens or perhaps hundreds of thousands of civil servants being made redundant. If the Government's proposals are overturned, the civil servants who are made redundant under the imposed scheme could seek legal redress and compensation, which could run into many millions of pounds.

5.15 pm

The challenge will be on two grounds. The first will be article 11, which is meant to protect the right of trade unions to negotiate on behalf of their members. Until 2008, the European Court of Human Rights treated the right to collective bargaining and the right

to strike merely as examples of individual aspects of freedom of association that states could choose as means of complying with article 11, ensuring that unions could at least be heard. However, Demir and Baykara v. Turkey changed the atmosphere and legal standing of article 11 and that of the right to collective bargaining. The grand chamber resiled specifically from the original rulings and elevated the right to collective bargaining to the status of an essential element of article 11. Interference with this right has to be justified against the background of the historical circumstances of the country. However, in this country, there is a long history of the right of civil servants in negotiations and of collective bargaining by the civil service, which I believe enforces the article 11 rights of this particular union. On that basis, I believe that the amendments do not go anywhere near far enough to protect the Government from legal challenge.

The second basis for a legal challenge against the amendments, which fail to provide the Government with cover, is that dealt with by the Joint Committee on Human Rights. The amendments fail to address the need for agreement by the unions over their protected and accrued rights under the compensation scheme. Article 1 of the first protocol of the European convention on human rights insists on the right to peaceful enjoyment of possessions. Under the scrutiny of the Joint Committee, the Bill has been found to be lacking in providing that protection. First the Government argued that they were not possessions, but that was quashed by the law courts in their last judgment against the previous Government.

The Joint Committee found the Government's arguments over possession to be unacceptable. They are accepted then as accrued rights, which means that they can be interfered with only as a result of agreement—amendment 3 insists not on agreement but simply consultation—or if the interference is justified. However, the Joint Committee determined that the Government had brought forward no justification—and, in fact, had not even addressed seriously the justification for interference with these accrued rights, which the civil service has garnered over years of negotiation and service. For that reason, the amendments will fail to protect the Government against further legal challenge.

I urge the Government, therefore, to think again. On the legalities of the Bill, even as amended by the Lords amendments, we are entering legal quicksand, and the Government will regret that. I think they recognise that and have inserted the changes into the legislation rather than the original scheme because they were worried about the scheme being quashed very quickly in the UK courts of law. Even with the amendments, however, the Government are entering an industrial relations minefield and a political morass. So I urge the Government, even at this late stage, to step back. PCS, the POA and the other unions are still willing to meet and negotiate, to see whether a reasonable settlement can be obtained. I urge the Government to take up the offer of getting back around the table.

The unions are willing to negotiate because these measures will have such a significant impact on their members. In Committee, we heard example after example of the impact on individual lives of such a severe deterioration in the redundancy payments being offered to civil servants. The POA and PCS are reflecting the views of their members about this Government's threat to their redundancy payments. It is for that reason that the POA and PCS are willing to get back round the table and seek a reasonable agreement with the Government.

However, I believe that, failing that, there will be legal actions and industrial action. They will undermine the credibility of this Government in any future negotiations or when they want to make changes not just to the scheme in question, but to other conditions of service across the civil service. Surely it is better to bring along a willing work force—a committed work force, with high morale and people who are willing to implement the Government's policy with enthusiasm because they enjoy their jobs, rather than people living under the threat of being made redundant without adequate compensation. I urge the Government, even at this late state, to back off—to pull the Bill this evening, enter negotiations, get back round the table and seek an agreed settlement that brings in all the unions, rather than trying to divide them in the way that the Government have.

Mr Maude: I am grateful to the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), who spoke from the Opposition Front Bench, and to my hon. Friend the Member for Birmingham, Yardley (John Hemming) for their support for the amendments and for where the Government have got to. I would like to say one or two words in response to the points that have been raised.

The first point to make is that the coalition Government are deeply committed to supporting the civil service and supporting its independence. We profoundly believe in the ethos of public service and political impartiality that motivates the civil service and with which it is imbued. We wish to support that, and, just as with the previous Government's attempt to reform the compensation scheme, nothing in what we are attempting to do should be interpreted as anything other than a desire to treat people fairly and achieve the right balance between the interests of the taxpayer and the interests of hard-working, dedicated civil servants who, as the hon. Member for Hayes and Harlington (John McDonnell) said, have in many cases spent their lives in public service. We honour and respect that, and we want them to be treated fairly. I want to put that firmly on the record.

We were happy to accept the point that consultation must be serious, which is why we accepted an amendment that said that consultation has to take place with a view to reaching agreement. It is not enough for the Government to go through the motions. I do not think that anyone who has taken part in the consultations and negotiations that have brought us to this point would say that they were about going through the motions—I think the right hon. Member for Birmingham, Hodge Hill would bear that out. Rather, they were about serious work aimed at getting agreement, and it is a matter of great regret that such agreement has not been reached. The suggestion that the ability for collective bargaining has in some sense been reduced and that this is a breach of the European convention on human rights simply does not stack up. The changes that we are making actually strengthen the commitment to consultation, making it more necessary that, in making any future changes, the Government should consult seriously, with a view to reaching an agreement. The commitment on collective bargaining is enhanced, not diminished.

Mr Nigel Dodds (Belfast North) (DUP): I have listened to the debate with great interest, particularly on the consultation with the POA, PCS and the other unions, but what is the position, both in the current negotiations and in any future consultations relating to the provisions that we are debating, on those who are not in unions? We found from our experience of negotiating with civil servants in Northern Ireland that many were not in unions, which raised a whole lot of other issues. How does that play into the consultation provisions that the right hon. Gentleman is introducing and the current negotiations?

Mr Maude: The right hon. Gentleman raises a good point, which is that it is by no means true that all civil servants belong to a trade union. The figures show that something in the region of 60% of civil servants belong to a trade union, but many are unrepresented. I am not sure that the Superannuation Act 1972 or what we are proposing in the Bill makes requisite any particular form of consultation with those who are unrepresented. However, he raises a good point that those who engage in future consultations should be alive to.

The hon. Member for Hayes and Harlington referred to his concern that, because the consultation requirement will not be commenced for two months, there will somehow be no obligation to consult. There has been extensive consultation. He raised concerns about the proposals that he claims were made by PCS and the POA, but the outline suggestions that eventually emerged from PCS, if implemented within the cost envelope, which I have always said exists and which would have existed under whichever Government were in power, would have had the effect of reducing the compensation available to those over pensionable age—that is, those over 50 and approaching retirement—and reducing the benefits available to the lowest paid. I say again that our primary concern has been to ensure that there is proper additional protection for those who are lower paid.

John McDonnell: I am sure that the right hon. Gentleman would not want inadvertently to mislead the House. Just for the record, that is contested by the unions themselves, because it was open to the discussions that the union was hoping to pursue with him, but which he declined.

Mr Maude: The concern raised by the unions at the time was that there was insufficient compensation in the scheme that we were developing with the other unions for those who were above the £23,000 salary underpin. We could have increased the compensation payments for them only by taking away from others. The only ways in which that could have been achieved—these suggestions were canvassed—would have been by lowering the £23,000 underpin so that all those earning less than that would have been penalised, or by taking away the significant protection that rightly continues to exist for those over 50. I recognise that someone who started work as a civil servant as a teenager straight after leaving school, and who has worked as nothing else until leaving the civil service in their 50s, might not find themselves in a fantastic place in the labour market. It is therefore right that there should be proper protection for people in those circumstances. That is why protecting those approaching retirement and the lowest paid people in the civil service was an absolute priority for us. I believe that the scheme that we have put in place meets those commitments and priorities.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Two pieces of information have come out on this. First, we received a Cabinet Office circular from the right hon. Gentleman which sets out in detail how the negotiations went. It specifically makes the point that PCS made a proposal that would have reduced the amount of money being made available to lower paid staff in order to pay for enhanced benefits for those at the higher end of the scale. However, the trade unions have said that that is not the case. In order to give us more information about the negotiation process, can the Minister provide the figures to demonstrate how much would have needed to go to those at the top to cover those enhancements, and how much would have been taken away from those at the bottom?

Mr Maude: It is really hard to do that, because, as I pointed out in the letter that I sent to all Members, there were only outline suggestions made by PCS. Back in September, five of the unions—the five not including PCS—wrote to me with some proposals that they had signed up to, and that PCS had declined to sign up to. At their request, we entered into discussions with the five unions, and the ensuing proposals formed the basis of the new scheme that we have developed. They are not totally reflected in the scheme, but they formed the basis for it. I constantly and consistently urged PCS to join that process and to make concrete proposals, but it had declined to sign the letter that the other five unions had signed, despite being asked to do so by the five unions.

That protracted process involved meetings with Mark Serwotka of PCS and Steve Gillan of the POA, at which I urged them to make concrete proposals that would enable us to work towards a full agreement. All that emerged, however, after protracted delays, were outline suggestions. When asked how any additional protection for higher-paid people—not highly paid people, but those above the £23,000 underpin—was to be paid for, the only suggestions were either to lower the underpin, which would have meant that all lower-paid workers would have been penalised, or to reduce the protection available to those over 50. We were not willing to do that because providing protection was a priority for us.

John McDonnell: Following on from an earlier point, the Minister will know better than most of us that these negotiations are complex. He has said that it was difficult at times to calculate the overall consequences. That is why the Public and Commercial Services Union—through the Council of Civil Service Unions as the Minister requested—put forward outline proposals for detailed negotiations with staff. However, the Minister for the Cabinet Office then closed the window for those negotiations, just as they were becoming productive. There are complexities and if the Minister objected to issues like that, those points could have been taken up in the next round of negotiations.

5.30 pm

Mr Maude: I have to take issue with the hon. Gentleman's phrase about the process just beginning to become productive, because it was not. The outline suggestions were vague and the only way of paying for them would have been by taking money away from lower-paid workers or people approaching retirement. We explored whether

[Mr Maude]

there was any other source from which those funds could be redistributed, but it turned out that there were no alternatives.

John McDonnell: If that is the right hon. Gentleman's only concern and his only objection to the position of PCS, supported by the POA, why can he not simply reopen negotiations now to resolve the matter?

Mr Maude: The hon. Gentleman talks as if this were a trifling consideration, but it is not. This process has been going on for three years. If the Bill goes through the remainder of its stages and on to the statute book, the new scheme that I hope to lay before Parliament before we rise for the Christmas recess, superseding the current scheme, will have been the product of many months—indeed, years—of protracted discussions. I know that he disagrees, but I have to say that despite repeated requests, the PCS has been tardy, to say the least, in coming forward with proposals and has, at best, made outline suggestions but never concrete proposals that could have formed the basis of an agreement. The other five unions did, and I am grateful to them for their engagement, which enabled us to forge a new scheme—as I said, we hope to lay it before Parliament next week—that will provide a fair balance between the interests of taxpayers and the interests of civil servants and protect those approaching retirement and the lowest paid.

John McDonnell: I am grateful to the Minister for giving way. Let me quote to him his statement to the House on 30 October, when he gave a commitment that he would "strain every sinew" to achieve a negotiated settlement. What I am suggesting is that, if he has identified an issue as an impediment to a negotiated settlement, he should now adhere to his commitment to strain every sinew and meet the unions again. It is no use repeating over and over again the fact that five out of six unions have agreed a settlement. They have not. The two unions that represent the vast majority of members have rejected the Minister's proposals. Surely it behoves him now to go the extra mile and strain that extra sinew to seek a negotiated settlement before he provokes industrial action or legal challenge.

Mr Maude: Those are not concerns that have just arisen; they have been there throughout. I have been forthright in ventilating them with the leadership of the PCS and POA, and they know that. We have been clear about the envelope within which it would be possible to make changes because increasing protection for one group can be done only at the expense of other groups. There is no way around that. That is the basis on which we have formulated the new scheme, which I hope to lay before Parliament before the Christmas recess. That is the basis of my case.

Mr Deputy Speaker (Mr Lindsay Hoyle): All the Lords amendments to the Bill engage the financial privilege of the House. If they are agreed to, the appropriate record will be made in the Journal of the House.

Lords amendment 1 agreed to, with Commons financial privileges waived.

Lords amendments 2 and 3 agreed to, with Commons financial privileges waived.

Clause 3

FINAL PROVISIONS

Mr Maude: I beg to move. That this House agrees with Lords amendment 4.

Mr Deputy Speaker: With this we may take Lords amendments 5 and 6 and amendment (a) thereto.

Mr Maude: The amendments respond to concerns raised by Opposition Members on Second Reading in the other place about the potential for the caps in what is now clause 2 to be revived after being put into abeyance, which is what I propose to do next week before the House rises and before the new scheme is laid. The Government also proposed the amendments to respond to the comments about the unusual use of a sunrise provision in clause 3(4)(c) that were made in the third report of the House of Lords Delegated Powers and Regulatory Reform Committee, published on 28 October. My noble Friend Lord Wallace of Saltaire provided a full response to the Committee in his letter of 1 December. We are grateful to the Committee for its report.

The Committee also commented on the other provisions in clause 3 which would enable, by order, the caps included in clause 2 to be repealed and also to be extended by six months at a time. That would override the so-called sunset provision in clause 3(3), which would otherwise mean that the caps on civil service compensation provided in clause 2 would expire automatically after 12 months. The Committee said that "these arrangements are complex", but added that the two delegated powers

"do not appear to the Committee to be inappropriate".

However, the Committee was not so persuaded of the need for the power in clause 3 to revive the caps in clause 2, that being an unlimited power that would have been available to any future Government in circumstances that we cannot predict today. The amendments respond to that point. The Government accept that there should not be an unlimited power to revive clause 2. Lords amendment 6 therefore provides for subsection 3(4)(c) itself to expire three years after Royal Assent, which is in effect a sunset of the sunrise provision. I can see why some people might say that that was a bit complex, but I think that, when fully parsed, it makes perfectly good sense.

The sunset of the power to revive clause 2 would mean that it would be there, as the Government intend, as a fallback to revive the caps in clause 2, just in case they were needed because of future problems in implementing the new civil service compensation scheme. However, the introduction of the three-year time limit should provide a reassurance that the power to revive clause 2 would not be available indefinitely to future Governments.

The caps are there as a potential fall-back so that we can be certain—as both the last Government and we have wanted to be—that we can reform the civil service compensation scheme. We have an absolute obligation, in the public interest, to address the unfair and unaffordable nature of the current scheme, and we need to ensure that if a legal challenge is mounted to our revised scheme—and it has been suggested that that may well happen—there is a fall-back option, albeit one that we have absolutely no desire to use. We do not expect or intend to use the powers to impose the caps in clause 2:

what we want is to see in operation as quickly as possible is the reformed civil service compensation scheme. We are determined that, if all else fails, there will be a fall-back position so that we are not left high and dry—as the last Government were—because of a legal challenge to the details of the new scheme.

Before the new scheme is laid before Parliament, I intend an order to be made under clause 3(4)(a) to repeal the caps in clause 2 in relation to any new scheme. We intend the order to include a saving provision so that the caps could be applied if, and only if, the old unreformed scheme had to be reintroduced. The saving provision would allow that to happen automatically, without the need to use the revival power by order under clause 3(4)(c). I should make it clear that this saving provision would apply only if there were an attempt to revert to the old scheme. An order under clause 3(4)(c) would be required, subject to the affirmative procedure, if it were ever proposed to revive the caps in clause 2 and to impose them over the new civil service compensation scheme that will be put in place following the completion of this Bill's passage.

Finally, unless further extended by order under clause 3(4)(b), clause 2 in its entirety—including the saving provision—will expire 12 months after Royal Assent. From that point on, any revival of the caps would have to use the order-making power in clause 3(4)(c), which, because of these Lords amendments, will be available only within three years of Royal Assent. I very much hope that by then the new civil service compensation scheme will be in place and be operating satisfactorily for all concerned—civil servants, departmental employers and the civil service trade unions—and that the taxpayers' interests and the proper interests of civil servants will be being met. Amendments 4 and 5 are consequential on amendment 6.

John McDonnell: The House needs to be aware of what this measure actually means, and I make it clear that I will press my amendment to a Division.

Mr Deputy Speaker: The hon. Gentleman will be able to move his amendment formally later.

John McDonnell: Thank you very much for that advice, Mr Deputy Speaker. I get confused when we are talking about sunset and sunrise clauses.

Let me explain what this measure means. Despite all we have heard today from the Government about their willingness to achieve a negotiated settlement on a new compensation scheme and their wish to ensure that all the trade unions are signed up to it and that it is acceptable both to members of those unions and to people not in those unions, the fact is that they will retain the power, over a three-year period, to impose the caps set out in the Bill.

We should remind ourselves of what those caps are: for a compulsory redundancy, an amount equal to a person's earnings for 12 months, and that amount for 15 months for a voluntary severance. We heard in evidence in Committee—this has been repeated in the Chamber time and again—that that will mean a cut of up to two thirds in the redundancy payments of many civil servants; 60% to 70% was the figure cited by the Joint Committee on Human Rights. Any Government will have the power to impose those caps at a later date, and to impose that level of penalty on civil servants who are made redundant.

If the Government are confident of being able to negotiate an agreed solution under the new scheme in this coming period, why do they need the right, over a three-year period, to impose these caps unilaterally? I still think that if they sought to do that, it would be subject to a legal challenge, but why would a Government seek to retain that power if they were entering into negotiations with good will, genuinely seeking an agreement, and taking every reasonable step to secure one?

My amendment simply seeks to reduce the period to 12 months, as an act of good will on behalf of this House in respect of its employees in the civil service. I believe the Government have set the period at three years because they want to maintain their original purpose for the Bill, as previously described: to use it as a blunt instrument to bludgeon the unions into submission so they agree to the Government's proposals. That is unacceptable. I also think this will be another factor that leads to people rejecting the overall scheme in the ballots that are currently taking place, and instead moving on to take action to stop the scheme being imposed upon themselves and their fellow trade union members.

I urge the Government to think again, as 12 months should give them sufficient time to negotiate and introduce a new scheme, and to introduce any reforms or amendments that might be needed to hone it to make it more workable if there were any problems with its implementation. It is unacceptable for the Government to have the threat of this blunt instrument to hold over civil servants for three years. Introducing this measure would be another contributory factor to the deterioration in the relationship between the Government and their staff, who are meant to implement, with high morale, the policies they introduce.

5.45 pm

John Hemming: As someone who interests himself in procedural issues, perhaps I could think of the clause as being more like a supernova clause after which the sun will not rise again. Not being a Government Minister, I have the advantage of having no confidential knowledge whatever of the Government's strategy. The interests of judicial review are relevant given that one would expect a judicial review when the order for the new scheme is laid, as it would be laid under the Bill relatively soon. In those circumstances, the Government will not want to take a completely new piece of legislation through the House because of a judicial review. It is possible to accelerate the proceedings of a judicial review, and the courts would probably look on such an approach favourably given the situation for the country and the importance of having legal certainty, but it is quite important to have the facility to deal with such a situation if it arises. However, I support the idea of having a supernova clause because there is a point at which the sun need not rise again.

Mr Byrne: I want to speak briefly about Lords amendments 4, 5 and 6, as well as amendment (a), tabled by my hon. Friend the Member for Hayes and Harlington (John McDonnell). During proceedings on the Bill, my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) has consistently raised concerns about the arbitrary caps that the Government introduced at the start of this process, which now form the body of clause 2. I confess that we are still not clear

[Mr Byrne]

about why the caps are still in the Bill given that clause 1, which was newly introduced on Report, effectively gives the Government the power to impose any settlement after the consultations that we discussed earlier have been completed. We heard, in the Minister's helpful update to the House, that there is a degree of agreement with at least some of the trade unions, which the Government have declared will supersede the terms in the Bill. Why then do they not seek to introduce a sharp instrument containing the specific terms they have agreed with the trade unions, rather than the blunt instrument containing general powers that is the Bill before us?

We are pleased that the Minister has given a clear commitment, in a letter to right hon. and hon. Members, that it is his ambition to

"repeal the caps in clause 3 insofar as they could impact on the new civil service compensation scheme".

His letter also says that if the caps were ever revived he

"would table an order…so as to increase the caps to such a level that would…reflect what would otherwise apply under the new scheme."

Most of us will welcome that good progress.

In earlier debates, we raised concerns that the Bill would allow the revival of caps at any time in the future even after a negotiated settlement was in place. We fear that the relevant measure, which the Government call a sunrise clause, would put an undesirable amount of power in their hands during negotiations, as they could simply threaten to revive statutory powers whenever they ran into any dispute on any matter, not just issues of redundancy. Given that it would allow the Government to resurrect the terms of a long-dead provision, it is not so much a sunrise clause as a zombie clause, which would live on for ever. Whatever we call it, the measure is entirely without precedent in a Bill of this nature. Indeed, the only recorded precedent of such a measure is in the Prevention of Terrorism Act 2005.

We are pleased that there will be a limit of three years on the caps if they are revived, and that the Government cannot extend that period. Given what the Minister has said this afternoon, however, I do not see how he can argue that the correct balance of time and the correct limit to any revived power should be three years. The whole House will welcome what the Minister said this afternoon about his ambition that the revival of the caps should never be triggered. If that is true—and I am prepared to accept that it is—I do not see why he cannot accept the very sensible amendment tabled by my hon. Friend the Member for Hayes and Harlington. Although we are happy to accept amendments from the Lords, we shall support amendment (a).

Mr Maude: The right hon. Member for Birmingham, Hodge Hill (Mr Byrne) asked why we needed to keep the caps at all. The answer is simple. The caps will be established in primary legislation, but the new civil service compensation scheme, which I hope to lay before Parliament next week, before the House rises, does not have the full force of primary legislation, despite the changes to the Superannuation Act 1972 made by clause 1.

I shall be frank. We want to avoid being in the position that followed the High Court judgment in May this year, which resulted in the previous Government's February scheme being quashed. The effect of the scheme being quashed is that the existing scheme remains unreformed and in force. Indeed, the old scheme—unaffordable, unsustainable and unreconstructed—is in force today. Of course, in preparing the new scheme we were at some pains to ensure that it would be legally robust, and we shall vigorously defend any legal challenge to it. However, as was apparent from the litigation against the previous Administration's scheme, there can never be guarantees in litigation. Even litigation that is destined ultimately to fail can be disruptive, because of the uncertainty it causes until the case is concluded.

John McDonnell: Could we clarify what the Minister has just said? Is the provision he supports simply a device to be used to prevent UK courts from quashing the Government's proposals?

Mr Maude: I shall be clear: both sides of the House have accepted that the current scheme is unsustainable and needs to be reformed. With the possible exception of the hon. Gentleman, everyone—and certainly Opposition Front Benchers—has accepted that it is unacceptable for it to be possible for a union, or two unions, to veto reform of the scheme. It must be possible for the Government and Parliament to effect reform of the civil service compensation scheme. If there is a successful legal challenge to a new civil service compensation scheme—unlikely though that may seem—we cannot have the position where the old scheme trundles on in its unsustainable, unaffordable and unfair form. That is why there must be a fall-back position for a limited period. We have listened to the arguments and we have accepted that it will be a limited period, so that caps on the use of the old scheme will be in existence, should the new scheme be quashed as the previous Government's scheme was, by order of the High Court.

What is the right period for the power to revive the caps? Is it one year, three years, five years or 10 years? There is no precise science, because no one knows how long the period is beyond which we could be sure that a successful legal challenge would not be raised. It is our judgment that three years is the right period. That is the view that we have taken. That is why we urged the Lords to agree, and I urge the House to accept that view today. We would thus be agreeing with the Lords in their amendments, and disagreeing with the amendment proposed by the hon. Member for Hayes and Harlington.

Lords amendment 4 agreed to, with Commons financial privileges waived.

Lords amendment 5 agreed to, with Commons financial privileges waived.

Amendment (a) proposed to Lords amendment 6.—(John McDonnell.)

Question put, That the amendment be made.

The House divided: Ayes 225, Noes 313.

Division No. 155] **[5.55 pm**

AYES

Ainsworth, rh Mr Bob	Bell, Sir Stuart
Alexander, Heidi	Benn, rh Hilary
Ali, Rushanara	Benton, Mr Joe
Austin, Ian	Berger, Luciana
Bailey, Mr Adrian	Betts, Mr Clive
Bain, Mr William	Blackman-Woods, Roberta
Balls, rh Ed	Blears, rh Hazel
Banks, Gordon	Blenkinsop, Tom
Barron, rh Mr Kevin	Blomfield, Paul
Beckett, rh Margaret	Blunkett, rh Mr David

Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Horwood, Martin
Howarth, rh Mr George
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Wicks, rh Malcolm
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Wright, David

Tellers for the Ayes:
Phil Wilson and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan

Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
James Duddridge and Stephen Crabb

Question accordingly negatived.

Lords amendment 6 agreed to, with Commons financial privileges waived.

Lords amendment 7 agreed to, with Commons financial privileges waived.

TERRORIST ASSET-FREEZING ETC. BILL *[LORDS]* (PROGRAMME) (NO. 2)

Ordered.

That the Order of 15 November 2010 (Terrorist Asset-Freezing etc. Bill [Lords] (Programme)) be varied as follows:

1. Paragraphs 4 and 5 of the Order shall be omitted.

2. Proceedings on consideration and on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order. *(Mr Hoban.)*

Terrorist Asset-Freezing etc. Bill *[Lords]*

Consideration of Bill, as amended in the Public Bill Committee

Clause 2

TREASURY'S POWER TO MAKE FINAL DESIGNATION

6.11 pm

Dr Julian Huppert (Cambridge) (LD): I beg to move amendment 2, page 2, line 1, after 'believe', insert

'on the balance of probabilities'.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 3, page 2, line 27, clause 3, at end insert

'(aa) explain, as fully as possible consistent with the public interest in non-disclosure, the reasons why they are satisfied that the conditions in section 2(1) are satisfied.'.

Amendment 5, page 13, line 41, clause 28, at end add

'(5) In section 67(3) of the Counter-Terrorism Act 2008 (Rules of court about disclosure)

(a) in paragraph (c) after "that", insert "subject to paragraph (ca) below"; and

(b) after paragraph (c) insert

"(ca) that in relation to a final designation, the material disclosed by the Treasury on which they rely is sufficient to enable each designated person to give effective instructions to a person appointed as a special advocate to represent that party's interests;".'.

Amendment 11, page 29, line 28, schedule 1, at end insert

'(fa) leave out rule 79.2.'.

Dr Huppert: I am delighted to move amendment 2, and to speak to amendments 3, 5 and 11, which are also in my name. They reflect recommendations from the Joint Committee on Human Rights, and Members might wish to see its more detailed report if they have not done so already. The amendments are all about ensuring proportionality and a fair hearing.

We should clearly be able to restrict funds that help terrorists in their activities, but people who are accused of such activities should not automatically lose their regular status in this country. We have a great principle in this country whereby a person is innocent until proven guilty; it is a great British tradition and one that we should support. We should also accept, however, that errors are made in legal processes, by the court and by Governments, and that is why we should have principles of fair hearing and high thresholds before we take state action.

Amendment 2 is about errors and the thresholds that we require. How can we be sure that the courts or the Treasury are making the right decision? How much error is acceptable? Various thresholds are already used for various decisions. We have the threshold of beyond reasonable doubt, which roughly equates to our saying that we do not accept even a 1% error—to the extent that we can attach numbers to it. Then, we have the civil standard, or the balance of probabilities, whereby we want to be sure that we are probably right. We want at least a 50:50 chance—in other words, with the balance of probabilities, we say that we want to be wrong less than half the time; we want to be probably sure that we are right.

If we go any lower with a threshold, we take steps—we punish people—when we say that we believe that they were probably not involved in the given situation. That is the consequence of a threshold below the balance of probabilities. None of us wants that, and none of us wants to take steps against people when we think that they were probably not involved in the first place.

I accept the principle of a lower threshold for interim designations. It is more akin to arrest, which takes place at a much lower threshold, but that is not the same as the permanent designation. I strongly urge the Government to reconsider their proposal. They should consider taking such steps against people only when the Treasury believes that they were probably involved, rather than on the basis of anything lower.

Amendment 3 is a simple requirement. A fair hearing must mean knowing the accusations—the reasons why the Treasury believes that somebody has been involved in funding terrorist activities. The amendment includes an important safeguard for public interest in non-disclosure, so damaging information would not come out, only that which we could afford to release. Again, I should have thought that we all agree with such a position.

During the Bill's passage, the Government have said that, effectively, the amendment's intention will be achieved but they do not want to see it in legislation. I am always concerned, however, about the principle that we should not write things into legislation but trust in the benevolence of Governments—this or any future Government. If the Minister will not accept the amendment, will he clearly commit to disclose such reasons subject to the public interest requirement, as the amendment says—even if that takes place in a non-legislative way?

Amendments 5 and 11 deal with the hearing itself. Section 67(3)(c) of the Counter-Terrorism Act 2008 puts a heavy weight on the principle of non-disclosure. Although that is an important principle, we must counter it with the principle of a fair hearing. Currently, the balance goes far too far in the direction of non-disclosure.

In the case of AF, it was held that similar rules are not appropriate to control orders, so I find it hard to see why the courts will not in time hold the same principle on terrorist asset freezing. There are more details on that reasoning in the Joint Committee's report. The courts have yet to take such a decision, but surely as a principle it would be better not to go through costly legal action, but to save time by making the changes now.

There is a review of the use of sensitive material in judicial proceedings, and I welcome the fact that there will be a consistent approach. If the Minister will not agree to including such safeguards in the Bill, will he commit to the Bill being updated when the review is complete in order to reflect that consistent approach and to introduce a better system throughout those areas? I shall listen carefully to the Minister's comments on all those suggestions, and I hope he takes on board what has been said.

Mr David Hanson (Delyn) (Lab): I am grateful to the hon. Member for Cambridge (Dr Huppert) for introducing the amendments, which represent important issues that

[Mr David Hanson]

the Joint Committee on Human Rights considered. However, the Opposition believe that the test of reasonable belief is appropriate to the circumstances covered by the Bill. Indeed, I said so in Committee.

The tests for the asset-freezing regime are strict. In clause 2(1)(a)(i) to (iii), the Treasury has to consider real issues about the involvement of individuals in terrorist activity before such powers can be invoked. Those considerations are:

"(i) that the person is or has been involved in terrorist activity,

(ii) that the person is owned or controlled directly or indirectly by a person within sub-paragraph (i), or

(iii) that the person is acting on behalf of or at the direction of a person within sub-paragraph (i)".

If we changed from reasonable belief to a situation in which the Treasury had to satisfy the balance of probabilities, as the amendment proposes, we would water down the ability of the Treasury and, therefore, the Government to take early action on the use of resources to finance terrorist activity in relation to the items detailed in clause 2. The asset-freezing regime must be preventive to be effective. One must be able to use it at an early stage to disrupt and prevent terrorist acts, and a threshold of a balance of probabilities would not enable the Government to act when action is needed.

The balance of probabilities test is applied by the courts in the context of civil proceedings and requires one party to demonstrate to the court that it is more likely than not that a particular fact is true. If that test were applied to asset freezing, it would require the Treasury and, indeed, the Minister to be satisfied and able to demonstrate to a court that a person is more likely than not to be, or to have been, involved in terrorism. That is too high a burden at the moment, because the burden of proof would rest with the Treasury.

If the Treasury brings forward proposals under this legislation in due course, I rest assured that it will have had solid grounds, from the intelligence and information provided to it, for doing so. If the picture were unclear, and an equally plausible argument could be made for an individual not being involved in terrorism, the Treasury would not be able to impose an asset freeze. That might put the constituents of Cambridge and, in my case, north Wales, or any constituent in the country, at risk of terrorist attack.

Dr Huppert: I am sure that the right hon. Gentleman knows of the existing power for an interim designation. It has a much lower threshold, so in emergency cases, such as those that he mentions, there would be no problem and we would be safe. I am delighted that he cares about the people of Cambridge so much, but the amendments are about longer-term designations.

Mr Hanson: Indeed, but I speak as somebody who in the previous Parliament was the Minister responsible for terrorist issues and policing. Those are serious matters, and the Government need to take action on them. There is always a balance to be struck between the civil liberties of individuals and the civil liberty of ordinary people to live their lives in peace without the threat of terrorist activity. On balance, my judgement is that we need to support the Government's proposals in the Bill, which initially had its genesis in the previous Government, so that all measures are taken to ensure that the asset freeze can take place and action can be taken accordingly.

I understand the concerns of the hon. Member for Cambridge; they are valid and should be explored. However, in clause 26 there is a right of appeal for designation both at an interim and final stage. If an individual feels aggrieved, he can undertake to exercise that right of appeal. However, very few people will do so if the Bill becomes law, because the Treasury will have taken steps to ensure that those individuals are rightly in the frame, for the reasons that the asset regime has been introduced, and I trust the Treasury to take those actions; that is not something we say all the time but, on this occasion, I have done so.

I hope that the hon. Gentleman feels that he has raised the issues of concern. I am sure that the Minister will give, almost word for word, the exact response that I would give. I am happy to talk about the amendments in more detail, but my message to the hon. Member for Cambridge is clear: in the event of him pushing the matter to a vote, he will find not just the Financial Secretary against him, but the shadow Minister.

The Financial Secretary to the Treasury (Mr Mark Hoban): I shall respond to each of the amendments proposed by the hon. Member for Cambridge (Dr Huppert). I welcome the approach adopted by the right hon. Member for Delyn (Mr Hanson), who speaks with some authority on these matters, having dealt with them in government. Looking around the Chamber, he is probably the Member with the most experience of tackling these issues. The amendments were considered in Committee. They were tabled by the hon. Member for Carshalton and Wallington (Tom Brake), and I made the same comments in response to them then as I do today. He sought to withdraw them in Committee and I hope that the hon. Member for Cambridge will do the same today.

As I said in Committee, amendment 2 would change the threshold for the making of a final designation from the Treasury from reasonably believing a person is or has been involved in terrorism, to needing to be satisfied on the balance of probabilities. As I emphasised on Second Reading and in Committee, the asset-freezing regime needs to be preventive to fulfil our UN Security Council obligations and to meet our national security needs. In other words, it must be capable of being used at an early stage to disrupt and prevent terrorist acts.

In our view, a threshold on the balance of probabilities would not enable us to act when needed. The balance of probabilities test is applied by courts in the context of civil proceedings and requires one party to demonstrate to the court that it is more likely than not that a particular fact is true. If that test were applied to asset freezing, it would require the Treasury to be satisfied and to be able to demonstrate to a court that a person is more likely than not to be or to have been involved in terrorism.

That may sound reasonable but—to echo the words of the right hon. Member for Delyn—it is, in fact, a high burden. The fact that the burden of proof would rest with the Treasury means, for example, that if the picture were unclear and an equally plausible argument could be made that an individual was or was not involved in terrorism, the Treasury would be unable to

impose an asset freeze. The serious threat posed by terrorism means that in such cases where the reasonable belief standard is met, the Treasury should be able to freeze assets on a preventive basis to protect the public. The alternative is to hold back until further evidence is accumulated. However, that runs the risk of an individual being able to carry out a terrorist act without preventive action being taken.

I hope that the hon. Member for Cambridge bears it in mind that—as eminent judges such as Lord Justice Laws and Lord Rodgers have remarked—we need to be mindful of the fact that material available to the authorities about terrorist plots may be fragmentary and incomplete. The picture may not be complete for good reasons, but that does not mean that the material is wrong. Such a situation simply reflects a number of real-world facts about terrorism: that intelligence has to be gathered covertly; that terrorists take considerable steps to disguise their activities; and that the need to protect the public sometimes means that plots have to be disrupted at an early stage, rather than allowed to run on further to accumulate more evidence. For those reasons, moving to a balance of probabilities test would have significant risks for our national security.

I also explained in Committee that a balance of probabilities test would be out of line with international best practice. The Financial Action Task Force makes it clear in its guidance on terrorist asset freezing that a legal threshold of reasonable suspicion or reasonable belief should be used. We are not aware of any other country that uses a balance of probabilities test to freeze terrorist assets in accordance with UN Security Council resolution 1373. As I set out on Second Reading and in Committee, for those reasons we remain convinced that a reasonable belief test is the right threshold for making a designation and that it strikes the right balance between protecting our national security on the one hand and protecting civil liberties on the other.

Mr Hanson: Will the Minister confirm again what I think he said in Committee, which was that whatever the outcome of the review of terrorist legislation—including the review of the case of AF and control orders—the Bill will stand as it is now without amendment in that respect?

Mr Hoban: If we assume that the legislation will receive Royal Assent, it will stand. However, clearly, all terrorism legislation is kept under review and it would be wrong to prejudge the outcome of any other court case. We have taken forward the best form of the legislation, which was, as the right hon. Gentleman knows, based on the previous Government's proposals. The Bill reflects case law as it stands.

Despite the approach we have taken on reasonable belief, the Bill will not result in the Treasury making decisions where it thinks it is more likely than not a person is not involved in terrorism. The point is that the decision maker should believe, from a careful assessment of what may well be a complicated intelligence picture, that a person is involved in terrorism. The threshold of reasonable belief for a decision is one used in many contexts, including in decisions made about terrorism, such as under the Anti-terrorism, Crime and Security Act 2001 and under schedule 7 to the Counter-Terrorism Act 2008. The courts are then asked on an appeal or review to determine whether there are reasonable grounds for that belief. That is the right test. It provides an assurance that a proper burden is placed on those seeking to impose a designation but, at the same time, it enables action to be taken to protect national security when needed.

Let me move on to amendment 3, which, as the hon. Member for Cambridge pointed out, reflects the report by the Joint Committee on Human Rights. I understand that the amendment would ensure that individuals are sufficiently informed of the reasons for their designation at the point their assets are frozen in order to enable them to mount an effective challenge. As I stated in Committee, the Government do not believe it is necessary to include such an obligation in the Bill because the JCHR's proposal was intended only to ensure that the Treasury complies with the basic administrative law principle of giving reasons for such decisions. It is the Government's view that administrative law principles apply regardless of whether a duty is specified in this legislation. Writing such an obligation into the Bill is therefore unnecessary. I think that that was the commitment the hon. Gentleman was seeking.

Amendments 5 and 11 were considered in the other place and in Committee. It is worth reminding the House that the Prime Minister announced in July that the Government will review the whole matter of the use of sensitive material in judicial proceedings and will issue a Green Paper next year. We expect the Green Paper to be published in the summer. The Government do not consider it appropriate to pre-empt it, which we would certainly be doing if we were to accept amendment 5.

Let me consider the amendment in detail. It seeks to create a new subsection within section 67 of the Counter-Terrorism Act 2008, which provides for the content of court rules about disclosure in financial restrictions proceedings and which will apply to court rules made in relation to challenges to decisions under the Bill. The amendment would place a requirement for the court rules, which are to be made initially by the Lord Chancellor for England and Wales and Northern Ireland, to ensure that the Treasury provides sufficient open disclosure to enable the designated person to give effective instructions to the special advocate. That form of words is based on the European Court of Human Rights judgment in the case of A, which was applied by the House of Lords in the case of AF and others to the stringent control orders that were before it. The effect of the amendment would therefore be to apply "AF No. 3" principles to challenges to final designations. I reassure the hon. Member for Cambridge that persons designated by the Treasury will have the full protections afforded them under article 6 of the European convention on human rights. Section 67(6) of the 2008 Act states:

> "Nothing in this section, or in the rules of court made under it, is to be read as requiring the court to act in a manner inconsistent with article 6 of the Human Rights Convention."

It is therefore absolutely clear that article 6 rights apply in full to asset freezing.

6.30 pm

However, the Government do not accept that "AF and others" principles automatically apply to asset freezing. The application of this judgment to asset freezing has not yet been determined by the courts. The courts have determined that "AF and others" principles apply to the

stringent control orders before them in that case and also to the financial restrictions under the Counter-Terrorism Act 2008. However, the courts have not determined that "AF and others" principles apply to asset-freezing cases, and it would be wrong to say that legally there is no room for doubt on this.

As I said in Committee, in our view "AF No. 3" principles do not apply to asset freezing because asset freezes are not as significant in their human rights impact as stringent control orders can be, nor are they as wide-ranging in their financial and economic impacts as decisions to impose financial restrictions under the 2008 Act. However, this is something that it is open to the courts to determine if the Government's position were to be challenged. Should the courts decide that "AF and others" principles apply to asset-freezing cases, any court rules that cut across this will be read down to ensure compatibility with the ruling. It would not be necessary to amend the legislation. I hope that hon. Members agree that it would not be right to prejudge such a determination by the court and require now the disclosure of sensitive information that could damage national security or the detection or prevention of crime. Doing so would clearly not be in the public interest.

Let me return to my point about the Green Paper. It would also be wrong to adopt a piecemeal approach to this important issue. The issue of special advocates and the use of intelligence material clearly cuts across a number of areas. If we try to address these important issues ad hoc in individual pieces of legislation, we risk ending up with different requirements in different pieces of legislation.

Dr Huppert: Notwithstanding the answer that the Minister gave to the shadow Minister, if the result of the Green Paper process suggests that we should update the legislation in this respect, will he agree to do so?

Mr Hoban: In the context of this amendment, which seeks to affect the court rules, the court rules would be reinterpreted in the light of any action taken forward as a consequence of the Green Paper.

The Green Paper will ensure that such a coherent and consistent approach is taken to the use of sensitive material in judicial proceedings. Its timing should allow for judgment to be handed down in the lead case in relation to whether the judgment in the case of AF and others applies more widely than to stringent control orders—that is, in the employment tribunal case of Tariq. That case will be heard by the Supreme Court in January, and we expect a judgment in the spring.

As I said, it would be wrong to pre-empt the Green Paper. I hope that having heard my arguments, the hon. Gentleman will welcome and support the approach that we are taking and withdraw his amendment.

Dr Huppert: I thank the Minister for his comments and for the assurances and commitments that he was able to give. I continue to disagree with him about the standard that should be required, and I still find it concerning that we are not moving towards a balance of probabilities. However, I will not press the matter to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 31

INDEPENDENT REVIEW OF OPERATION OF PART 1

Mr Hanson: I beg to move amendment 1, page 15, line 25, leave out 'a person' and insert 'the Independent Reviewer of Terrorist Legislation, as appointed under section 36 of the Terrorism Act 2006.'.

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss amendment 6, page 15, line 25, at end insert

'( ) A person may not be appointed under subsection (1) unless

(a) the Secretary of State lays a report before both Houses of Parliament which recommends the person and sets out the process by which he was chosen,

(b) a Minister of the Crown tables a motion in both Houses to approve the report laid under this subsection, and appoint the person, and

(c) such a motion is agreed by a resolution of both Houses of Parliament.'.

Amendment 7, page 15, line 31, leave out 'send the Treasury a'.

Amendment 8, page 15, line 32, after 'report', insert 'to Parliament'.

Amendment 9, page 15, line 34, leave out subsection (4).

Amendment 10, page 15, line 37, at end add—

'( ) Appointment under subsection (1) shall be for a non-renewable term of five years.'.

Mr Hanson: We had a good debate on this issue in Committee. It is my contention that if we are to create a post to review the operation of this Bill once it achieves Royal Assent, it makes eminently logical sense for the person who is appointed by the Treasury to review the legislation to be the same person as the one appointed by the Home Office under section 36 of the Terrorism Act 2006 to review terrorist legislation and its impact from the Home Office perspective. As the House will know, Lord Carlile is currently appointed to that position. He is independent of government; he has an office outside the Home Office as well as a secure office in the Home Office; and he provides an independent review of a range of issues, including control orders and other legislation under the 2006 Act. Clause 31 of this Bill allows for an individual to be appointed by the Treasury. In Committee, I tested the Minister on whether he had discussed with the Home Secretary the possibility of appointing the same person under clause 31 to review part 1 of this potential Act as is currently appointed by the Home Office to review legislation under the 2006 Act.

Whatever our agreements in Committee, there is also, I hope, an agreement that we do not want to see duplication of these roles. The role of reviewing whether a designation has been made fairly and is being operated fairly is the same as that of reviewing whether an individual's control order has been judged and operated fairly. I accept that there are differences, as alluded to by the Minister in Committee, but in broad terms an individual appointed under clause 31 to review part 1 of this potential Act will be dealing with similar issues and similar evidence—sometimes evidence supplied by agencies

within government—and undertaking similar assessments of the effectiveness and fairness of the operation of the legislation.

The current reviewer, Lord Carlile, will finish his tenure in that role very shortly. Mr David Anderson QC will be the new independent reviewer of terrorism legislation from, I think, 1 January next year. He has expertise in the European Union, in public law and in human rights. He is a Queen's counsel of more than 10 years' standing, and he is a recorder and a visiting professor at King's college London. The skills that are required to review control orders under the 2006 Act are, in my view, the same as those required to review the provisions in this Bill. I am making this proposal because there could be synergy between the two posts.

I am equally interested—I know that the Minister will have a wry smile at this—in the costings and the operation of the parallel regimes in the event of the Minister appointing somebody different to review the provisions of this Bill when enacted. The Home Office supplies the reviewer with administrative facilities, office support and research support as needed. He has an independent private office in central London as well as secure rooms in the Home Office that he uses to deal with information to help him in his task. I question the need to establish a parallel regime with a separate person being appointed through a separate recruitment procedure and having separate offices inside and outside the Treasury, given that very often, and potentially even more so in this current age, the individual may be reviewing activities that impact on the same small group of people who are seeking to do harm to our citizens in the United Kingdom as a whole.

I would welcome an update from the Minister on my suggestion and on whether he has had an opportunity to talk to the Home Secretary about this matter. Has the Minister had an opportunity to consider whether the person who will be appointed under clause 31 should be the same person who is appointed by the Government to review Home Office legislation under the 2006 Act?

My amendment has been unduly twinned with the rest of the amendments in the group, which were tabled by the hon. Member for Cambridge (Dr Huppert). They relate to the method for appointing the reviewer—whether they are appointed as under my proposal or as under the Bill. The hon. Gentleman has again drawn on the report of the Joint Committee on Human Rights in proposing that the House of Commons should ultimately be the appointing body for the independent reviewer.

Unusually, I think that I will find myself agreeing with the Minister. Whatever my views on a range of issues, I cannot accept amendment 6, because the post of the independent reviewer must ultimately be a Government appointment. It reports to and supplies information to Ministers, and it is ultimately funded by the Government to provide that information. It is crucial, however, that the post is independent of Ministers. It reports to them, provides them with information and is funded by them, but it ultimately acts independently of them. It advises them and can cause difficult issues for them, because of its independence. If the post was appointed and supported by a resolution of both Houses of Parliament, it would be in a very different position from an independent reviewer of legislation.

Lord Carlile was independent. Never once did he ask me for information that he could not access appropriately. Never once was he compromised by Ministers, of whatever hue, in relation to his jurisdiction and duties. He has provided a fair assessment of the operation of the legislation to date.

I hope that the Minister reflects positively on amendment 1. I suspect that he will not support amendments 6 to 10, which were tabled by the hon. Member for Cambridge, because the independence of the post is crucial. If we tie it to the Minister or to the House of Commons, we will betray that independence and do a disservice to the role. If the Minister cannot give me good news on amendment 1, I hope that he can encourage me generally on the appointment. I look forward, also, to hearing the hon. Member for Cambridge speak to his amendments.

Dr Huppert: I will speak briefly to amendments 6 to 10, which come from the Joint Committee on Human Rights, on which I am privileged to serve. I agree with the right hon. Member for Delyn (Mr Hanson) that the key issue is the independence of the reviewer. The amendments seek to strengthen that independence, by ensuring that the reviewer is a creature not of Government, but of Parliament. Being nominated by Government and approved by Parliament would give the reviewer greater independence.

There is also a question of accountability. Who should hold accountability on behalf of the British public—Parliament or Government? Should the reviewer's report go directly to Parliament, or should there be the potential for it to be filtered by Government? Although I accept that that does not generally happen, there is the potential for it to happen.

Mr Hanson: I ask the hon. Gentleman to consider that Ministers are accountable to Parliament. I rose because of his use of the word filter. When I was the Minister with responsibility for policing and terrorism, not once did I change a single word of a reviewer's report to Parliament, even though such reports were produced ultimately by Ministers for this House. I do not expect that any other Minister would do so, because the independent reviewer would make a play of it and the relationship would be devalued tremendously.

Dr Huppert: Indeed, I was saying that I did not believe that that had ever happened, and I am grateful for the assurance that it never has. That shows exactly why amendment 6 makes sense. If no Minister would ever filter such reports, there should be no requirement for them to go through Ministers. That creates a potential filter that we hope will never be used. I hope that the Government simply agree with my position, so I will not labour the point. However, I doubt that the Minister will say that he agrees.

I will raise something that I mentioned on Second Reading, which might provide a compromise. As the Minister is aware, there is a recent precedent for Select Committees to approve independent appointments. That happened with the Office for Budget Responsibility and I hope that it will happen with other bodies. Perhaps the Minister will agree that it would be helpful for the reviewer to be confirmed by an appropriate Select Committee in a similar way, to ensure that there is certainty for Parliament as well as Government that the reviewer will perform their role properly and independently.

6.45 pm

Mr Hoban: I did not know that we were going to proceed at such a quick pace this evening, although perhaps it is not as quick as you, Mr Deputy Speaker, and other colleagues might have hoped. I hope that we will not detain the House too much longer on the matters before us.

I will deal with amendments 6 to 10 first, before returning to amendment 1. As the right hon. Member for Delyn (Mr Hanson) pointed out, amendment 1 relates to a topic that gave rise to one of the longer debates in Committee.

The amendments tabled by my hon. Friend the Member for Cambridge (Dr Huppert) relate to the appointment of the independent reviewer and the terms by which he will report. My hon. Friend and other hon. Members will be aware that such amendments were debated at length during the Bill's passage in the other place and in Committee. As I said in Committee, the proposals are based on the provisions of the Prevention of Terrorism Act 2005 that relate to the independent reviewer of terrorism legislation. That provides an effective and suitable model for the statutory independent asset-freezing reviewer.

Amendment 6 would require the independent reviewer to be approved by Parliament. I believe that the intention is to ensure that the reviewer is suitably independent of Government. I hope that I can reassure my hon. Friend that the Government are fully committed to the independence of the reviewer. Independent oversight is an essential element of the safeguards that the coalition Government have introduced into the Bill, and it will be the principal objective of any appointment. I will touch on the recruitment process later.

We do not believe that it is necessary for Parliament to approve the independent reviewer. That would be a significant departure from standard practice. The appointment of the reviewer by Government reflects the long-standing principle of ministerial responsibility. It is Ministers who are accountable to Parliament and to the public for the people whom they appoint. Parliament will, of course, be able to scrutinise the work of the reviewer and to hold him or her to account through existing mechanisms—for example, through Select Committee scrutiny.

My hon. Friend proposed the compromise of a requirement that an appropriate Select Committee approve the appointment of the reviewer. The Minister for the Cabinet Office and Paymaster General is due to meet the Liaison Committee shortly to discuss the pre-appointment hearing process. A decision to add new appointments to the list of posts subject to pre-appointment scrutiny may be announced as a result of that meeting.

Amendments 7, 8 and 9 would replace the independent reviewer's obligation to report to the Treasury and the Treasury's obligation to lay that report before Parliament with an obligation for the reviewer to report directly to Parliament. To draw a comparison, all the annual reports and ad hoc reports produced by Lord Carlile, the current independent reviewer of terrorism legislation, have been provided in the first instance to the Home Office to check that they do not inadvertently contain any classified material that cannot be published. Hon. Members will recognise that asset freezing deals with sensitive and classified information. That is why the Government believe that a similar approach is appropriate.

The independent reviewer will have access to all relevant papers and evidence, including highly classified intelligence reports and, on occasion, material that is being considered as part of a separate criminal prosecution. It is important to ensure that published reports do not include classified or sub judice material, and Parliament could not undertake such a check. I reassure my hon. Friend that the Government will not seek to influence the outcome of any report. The reports will be provided to Parliament as quickly as possible after they have been delivered, and they will be available to the public.

Amendment 10 suggests that the appointment of the independent reviewer should be for five years, and that it should not be renewable. We do not believe it necessary or desirable to have a statutory limit on the length of time that a reviewer should remain in post. There might be valid reasons why someone wishes to step down at an earlier stage, but there might also be valid reasons why they wish to occupy the position for a longer period. They will build up significant experience and significant knowledge of how legislation works, and that will be invaluable.

It is important to take the opportunity to learn from the experience of the current reviewer and see how he feels the system should work. In the debate in the other place, Lord Carlile said about appointment procedures:

> "As to the way in which the independent reviewer is appointed, I do not have any very strong views. Appointment by a Minister does not make the reviewer any less independent. Many public appointments have sprung surprises on government; for example, chief inspectors of prisons. Independence is in the way the person concerned operates." [*Official Report, House of Lords*, 25 October 2010; Vol. 721, c. 1085.]

I notice that the right hon. Member for Delyn raises his eyebrows at the reference to the chief inspector of prisons—he clearly knows from his own experience how independent such people can be once they are appointed.

On the question of whether submitting reports to the Government, rather than directly to Parliament, would run the risk of reports being altered in any way, Lord Carlile said:

> "I cannot imagine any circumstances in which any honourable person appointed to this role would be prepared to change their report at the behest of a Minister or civil servant for political reasons. It has never happened. It did not happen with any of the reviewers before I was appointed, it has not happened during my period of tenure, and I do not think it will happen with any successor I can foresee under the present or changed arrangements." [*Official Report, House of Lords*, 25 October 2010; Vol. 721, c. 1086.]

That reinforces the right hon. Gentleman's experiences.

It is essential that the independent review of the asset-freezing regime is robust, impartial and transparent, and we are satisfied that the provisions in the Bill regarding the appointment and operation of the reviewer are appropriate to achieve that. I therefore hope that my hon. Friend the Member for Cambridge will not press his amendments.

Amendment 1, tabled by the right hon. Member for Delyn, would, as he said, ensure that whoever fulfilled the role of Home Office independent reviewer of terrorism legislation would also fulfil the role of independent reviewer of asset freezing. I shall provide the House

with an update on the Treasury's position on the appointment of an independent reviewer, but first I wish to set out why we do not support the amendment.

The Government do not accept that the independent reviewer for asset freezing must always be the same person as the Home Office counter-terrorism reviewer. Requiring them to be the same person would unnecessarily reduce flexibility, and could therefore constrain the Government's ability to appoint the best person to the post. There might be good reasons why, in a particular case, both roles could not be held by the same person. For example, the best qualified person for the job might simply not have the time to carry out both roles to the level required.

We have to remember that both roles are demanding and important. Counter-terrorism legislation is an expansive and complex area, and the issues raised concerning the balance between protecting security and protecting civil liberties are of fundamental importance. Moreover, individuals may well wish to combine their work as independent reviewers with other ongoing professional commitments. That is entirely reasonable, as long as it does not give rise to conflicts of interest. In the light of that, it would be wrong to say that we must only ever appoint somebody who can perform both roles. We need to retain flexibility and always look for the most suitable person to do the job.

We recognise, however, that there are good arguments for combining the two roles where it is possible and desirable to do so. That might produce greater consistency and coherence and better value for money, as the right hon. Member for Delyn said in Committee. As I have said, however, we need to consider the matter on a case-by-case basis and not just assume that combining the two roles is the only approach that can work.

I now turn to the current situation. My officials have been in close contact with Home Office and Cabinet Office officials to explore the matter further. There has also been an initial discussion with the incoming counter-terrorism reviewer, David Anderson, to explore whether he would be willing to be considered for the asset freezing reviewer post. Mr Anderson has indicated that he would be willing to take up the post were it to be offered to him, and that neither he nor the Treasury is aware of any impediment to his taking on the role were it to be offered.

At this stage, the Treasury has not made an offer of appointment to the role, and in our view it would be premature to do so. After all, the Bill is not yet law and the post does not yet exist. However, I reassure the House that the Treasury is considering all the relevant issues, including value for money and the interconnection of the two roles. The process of appointing a reviewer is on track, and the appointment will be made in plenty of time for the reviewer to prepare their first report, which is due nine months after the Bill comes into force. I hope that that update will reassure Members of the progress that the Treasury is making in filling the post, and of its recognition of the points made today about costs and the interconnection of the two roles. On that basis, I hope that the right hon. Gentleman will be willing to withdraw his amendment.

Mr Hanson: I think I will take that as a sort of yes from the Minister about the principle behind the amendment, even though he is not accepting it. I feel reassured by what he has said. He has been very fair in his assessment that there are synergies between the two roles and potential cost savings. An individual could undertake both roles, and from my experience the two posts may be reviewing a similar pool of people. I believe that progress has been made.

The Bill obviously needs Royal Assent very quickly, because of the expiry of the previous legislation. I urge the Minister to ensure that, upon his final approval of a person to review the operation of the Bill, he tables a written ministerial statement. The individual needs to be in post prior to the time set out in clause 31(2) for the production of the first set of reviews, which is nine months after part 1 comes into force. It is important for the House to have feedback on that, and that will keep the House informed, at least in part, of matters related to the other amendments in this group.

I am very pleased to "bag" my amendment. The Minister has made his case and come as near as he can to saying what will happen. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Third Reading

6.58 pm

Mr Hoban: I beg to move, That the Bill be now read the Third time.

I start by thanking right hon. and hon. Members from all parts of the House for their participation on Second Reading, in Committee and now on Report, and for helping the Bill reach this stage. It has been given careful scrutiny, even though it has not been the most lengthy scrutiny process. The issues have been dealt with thoroughly both in Committee and on the Floor of the House.

We have considered very closely the civil liberties issues that have been raised in our debates and how best to address them without compromising national security. I am confident that the Bill strikes the right balance between protecting national security and protecting civil liberties, but it is right that we have considered carefully both in Committee and on Report amendments that would strike a different balance.

I am grateful for the Opposition's constructive approach. The Bill's genesis was legislation that they developed in the previous Parliament. We have taken that legislation forward and, I think, improved it by introducing additional safeguards to protect fundamental freedoms.

The Opposition could have extended the debate on these changes, had they so wished, but they did not do so. I recognise that the right hon. Member for Delyn (Mr Hanson) brought his experience to our debates. That helped to enlighten the scrutiny process. It is right that where there is agreement between Government and Opposition, we should make it clear that that is the case and co-operate in the national interest, in the same way as, when we were in opposition and faced with the Supreme Court judgment that triggered the Bill, we worked with the then Government to ensure that the temporary legislation reached the statute book quickly to maintain the security of our nation.

I think that we all recognise that the Bill is necessary to the United Kingdom's continued national security. We have seen again with the events in Sweden at the

[Mr Hoban]

weekend the threat posed by international terrorism. The Government must have the right tools to combat terrorism in the UK and overseas, and among those tools must be options to act preventively and to be able to disrupt terrorist plots in their planning stages. It is worth bearing in mind that the Bill covers assets in the UK but might relate to parties overseas. The most recent set of figures that I have shows that of the 57 freezing cases covered by this Bill, 25 of those involved are resident in the UK and the remainder are resident overseas. The most durable freezing orders are those that relate to people outside the UK. Of the 46 cases that are more than four years old, 31 relate to cases outside the UK. It is important to bear in mind that we must have the tools to combat terrorism wherever it happens.

One of the most effective ways of limiting terrorists' actions is to limit their ability to finance attacks, maintain their infrastructure, provide training, equipment and recruitment, and promote their message of hate. The UK's terrorist asset-freezing regime is an important and valuable tool. That is why there was cross-party support for the emergency legislation earlier this year and why I hope the House will unite behind the legislation today.

Let me reiterate some of the changes that have been made to make the Bill stronger and better. The Bill introduced in the other place was a significant improvement on the current regime. It included more targeted prohibitions to limit the impact of asset freezing on innocent third parties; a provision to ensure that, in accordance with a ruling in the European Court of Justice, the regime did not catch the payment of state benefits to the spouses or partners of designated persons and so did not have the draconian impact on family life that the Supreme Court was concerned about; and the establishment of an independent reviewer—something we talked about today and in Committee—to ensure that there is proper independent scrutiny of the asset-freezing regime.

Further safeguards were introduced by Members in the other place to raise the legal test for freezing assets for more than 30 days from reasonable suspicion to reasonable belief and to strengthen judicial oversight by ensuring that there is a full merits-based review of designation decisions. Combined, those important new safeguards will serve to make the asset-freezing regime significantly more proportionate and more transparent in its application, in addition to raising the legal threshold that must be met for a freeze to be imposed. However, I also believe that they are changes that will not undermine the effectiveness of the regime or risk the UK's continued compliance with international best practice. I welcome the endorsement that many Members have given the changes, both in this House and the other place.

In summary, I believe that the Bill we are considering for the final time today strikes the right balance between protecting public safety and protecting civil liberties, and that the balance we have struck commands widespread and cross-party consensus in Parliament. The Bill will put the UK's terrorist asset-freezing regime on a secure legislative footing and significantly improve it. We have made excellent progress against a tight deadline, and I am pleased to be able to commend the Bill to the House.

7.4 pm

Mr Hanson: I simply want to say on behalf of the official Opposition that we welcome the Bill, which, as the Minister has said, had its genesis with the previous Government. Previous Treasury Ministers have worked with officials to develop a regime that is, in my view, about protecting civil liberties. We hear a lot about civil liberties in these debates, and the Bill is about protecting those liberties and protecting individuals' rights to live their lives without fear of terrorist attack. The terrorist asset-freezing regime that is in place and that will be in place once the Bill receives Royal Assent will help to develop still further the protections to ensure that those who wish to do harm to our society do not use such resources to do that harm.

The Bill has obviously been subject to great and detailed scrutiny, not just here but in the other place. It has also been scrutinised by the Joint Committee on Human Rights. As a House, we have considered the arguments put to us about several issues and we have ultimately decided that they do not hold merit. That is an important part of the process. The Bill leaves us with the full support of the Opposition. It will, I hope, provide greater safety for our community and help to ensure that we take action against those who use finance to undertake terrorist acts.

I am pleased that the Minister has given a strong indication that he will consider seriously the two roles of the reviewer. One is set out in clause 31 and the other—the reviewer of terrorist activity, who will soon be David Anderson, QC—is set out in previous legislation. There is merit in that synergy. Having heard what the Minister has said today, I wish the Bill well and the Opposition support it.

7.6 pm

Dr Huppert: I have spoken on a number of issues already, so I shall be brief. I agree with the general sentiment that we must prevent terrorist activity and the funding that supports it. I would rather that we had seen a court-based system that was fair and safeguarded civil liberties in the ways that I tried to draw out, but I accept that that is not what we have. The system that I would like to see would provide the national security that we need while protecting the civil liberties that we deserve, but I accept that that is not the settled will of the House.

There is still one issue of detail that I would like to explore. Clause 25(1) contains the fascinating phrase:

"Nothing done under this Chapter is to be treated as a breach of any restriction imposed by statute or otherwise."

Let me give the Minister a further chance to comment. Could he perhaps reassure me that that phrase is not intended to mean that the Human Rights Act 1998 and common law rights would not apply? That is one possible reading of it. I believe that that is not the intended meaning, so can he assure me that the Human Rights Act and common law will remain sovereign? If he wants to say that, I shall be delighted to let him intervene.

In the meantime, while the Minister reads the clause, let me reflect on what the Bill does. It is interesting to consider the scale of the problem. There was a statement from the Minister on 23 November about how many accounts had been frozen—a total of 205 accounts as of 30 September, containing less than £290,000. Although

terrorist activities can be carried out on relatively small sums of money, we should be clear with ourselves and with the public about the amounts that are involved. Of that £290,000, only £140,000 would be covered by the Bill, as it was covered by the predecessor legislation. That is a relatively small amount although it can, of course, have a large effect.

The Bill is not as good as it could be and that is a shame, but it is a lot better than its predecessors. I welcome that fact and the effort that the Government have made to accept amendments in the other place, if not here. I am happy to see it pass its Third Reading.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

Mr Gerry Sutcliffe (Bradford South) (Lab): On a point of order, Mr Deputy Speaker. The House was due to have the opportunity to discuss the Lords amendment to the Identity Documents Bill, but I understand that Mr Speaker will not allow that to happen because of the lack of a money resolution. Will we have any opportunity to debate what the Lords have said about the fairness of ensuring that those people who bought identity cards can have some compensation?

Mr Deputy Speaker (Mr Nigel Evans): I thank the hon. Gentleman for that point of order, of which he gave me short advance notice. As will become apparent from what I am about to say, the next bit of business will give him his answer.

Identity Documents Bill

Consideration of Lords amendment

Mr Deputy Speaker (Mr Nigel Evans): I must draw the House's attention to the fact that financial privilege is involved in the Lords amendment. Having given careful consideration to the amendment, Mr Speaker is satisfied that it would impose a charge on the public revenue that is not authorised by a resolution of this House. The amendment is therefore deemed to be disagreed to, and is not available for debate, in accordance with Standing Order No. 78(3).

Ordered, That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendment;

That Damian Green, James Duddridge, Mr Gerry Sutcliffe, Mark Tami and Dr Julian Huppert be members of the Committee;

That Damian Green be the Chair of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately. *(James Duddridge.)*

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

Business Without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

ROAD TRAFFIC

That the draft Road Safety (Financial Penalty Deposit) (Appropriate Amount) (Amendment) Order 2010, which was laid before this House on 15 November, be approved. *(Mr Vara.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

EXCISE

That the Tobacco Products (Descriptions of Products) (Amendment) Order 2010, (S.I., 2010, No. 2852), dated 29 November 2010, a copy of which was laid before this House on 30 November, be approved. *(Mr Vara.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

CORPORATE GOVERNANCE IN FINANCIAL INSTITUTIONS AND REMUNERATION POLICIES

That this House takes note of European Union Document No. 10823/10 and Addendum 1 relating to a Green Paper on corporate governance in financial institutions and remuneration policies; and supports the Government's approach to work closely with the European Commission to deliver a strong, principles-based framework for financial sector corporate governance. *(Mr Vara.)*

The House divided: Ayes 281, Noes 195.

Division No. 156] **[7.12 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Gyimah, Mr Sam
Halfon, Robert
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob

Wollaston, Dr Sarah
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and
Mr Shailesh Vara

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hollobone, Mr Philip
Hopkins, Kelvin
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Wright, David

Tellers for the Noes:
Phil Wilson and
Mr David Hamilton

Question accordingly agreed to.

Pension Funds

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

7.25 pm

Jon Cruddas (Dagenham and Rainham) (Lab): Somewhat earlier than I anticipated, I rise to make a few comments about the operation of pension funds and their transparency.

Everyone knows that the world of pensions is changing fast. With the decline of defined benefit schemes and the shift to defined contribution, pension savers are shouldering more and more of the investment risk to their savings, and with the advent of auto-enrolment in 2012, even more people's future well-being will be bound up with the capital markets through their pension funds. These trends make greater transparency of pension fund investments an urgent imperative for three reasons. First, if ordinary savers are bearing the risk to their investments, it is only right that they should be in a position to scrutinise how their agents are managing those risks. If we expect individuals to take more responsibility for providing for themselves in old age, they should at least be given the tools to hold accountable those on whom their retirement security depends.

Secondly, the huge—and hugely profitable—industry charged with looking after people's savings has an extremely poor record. In recent decades, we have seen the growth of an enormous cadre of agents and intermediaries who extract huge fees at the direct expense of ordinary savers at the bottom of the investment chain. For instance, a report published last week by the Royal Society for the encouragement of Arts, Manufactures and Commerce—known as the RSA—found that the total fees charged by pension funds swallow up an astonishing 40% of the end value of the average British pension, which is much more than in our European counterparts. One might at least expect that this is paying for superior skills and therefore higher returns on investment, but pension fund returns are actually declining: between 2000 and 2009, they collapsed to an average of 1.1% per year. Paul Woolley at the London School of Economics has calculated that excessive short-termist trading in shares is likely to erode rather than enhance the long-term value of pension pots. Pension fund investment strategies are a very real issue for any Government who are serious about tackling the looming pensions crisis, which we all acknowledge.

The third reason transparency matters is that pension funds are huge institutional investors with enormous collective influence on the financial markets and the wider economy. If the financial crisis taught us anything, it was the danger of handing over ordinary people's money to financial institutions and assuming that they will take care of it without the need for further scrutiny. The interests of pension savers are, by definition, long term, yet in the build-up to the financial crisis, many pension funds engaged in the same short-termist strategies and herding behaviour as the rest of the market.

The American academic Keith Johnson has described the influence of these investors as akin to unleashing

"a flock of 900-pound lemmings"

into the economy. There is, therefore, a legitimate public interest in how pension funds behave, including in how they exercise their ownership rights. The financial crisis exposed the dangers of share owners acting like what Lord Myners dubbed "absentee landlords" or, worse still, actively encouraging their investee companies to pursue short-term profit at the expense of the long term. Ultimately, it is millions of ordinary people who provide the capital and suffer the economic consequences when that capital is not used responsibly. The case for greater transparency is compelling.

So what should that mean in practice for the Government? Earlier this year, the Financial Reporting Council published a stewardship code for institutional investors aimed at encouraging responsible ownership. It is far from perfect, but it is a start. In particular, its strong focus on transparency, including transparency in the exercise of voting rights, is welcome. However, there is a danger of the interests of pension savers being forgotten in this process. The code's provisions on voting disclosure are a tacit recognition that people have the right to know how the voice of shareholders is being used on issues such as executive pay, takeover bids or environmental resolutions. However, the code is largely aimed at asset managers.

Ordinary people cannot be expected to know which asset manager their pension fund uses and proactively to seek out that manager's disclosures. Improvements in fund manager transparency will give savers the accountability and visibility that they deserve only if pension funds play their part too. Disappointingly, although the FRC has stated that pension funds have an important role to play, the pensions regulator has not yet produced any official guidance for pension funds on how they should apply the stewardship code. The role of pension funds has often been left to the National Association of Pension Funds, which is an industry body—a less-than-ideal situation, I tentatively suggest. Does the Minister agree that it would be appropriate for the pensions regulator to look into the matter? Will he raise it when he next meets the regulator's newly appointed chair?

Notwithstanding what I have said so far, it is clear that the stewardship code will not be a panacea when it comes to accountability and transparency. FairPensions, the campaign for responsible investment, yesterday published an analysis of fund managers' performance on transparency, including their reporting under the stewardship code. Although it showed some improvements, almost one in six asset managers surveyed still did not disclose any information about their voting records. One manager justified that by saying that it was up to the clients—that is, the pension funds—to disclose such information. However, recently published guidance from the National Association of Pension Funds makes it clear that it thinks that disclosure is up to the asset manager and is not the pension fund's responsibility. There is a real danger that such buck passing will result in nobody disclosing and the pension savers at the bottom of the chain remaining in the dark about how their money is being managed.

The Government could avoid that danger by doing two things. First, they could make voting disclosure mandatory for asset managers by exercising their reserve powers under section 1277 of the Companies Act 2006. I understand that this is not within the Minister's gift, but I hope that it will be considered by his colleague the Secretary of State for Business, Innovation and Skills, as part of his review of economic short-termism. Secondly, the Government could clarify pension funds' obligations

in this area by amending the regulations, which already require pension funds to disclose their voting policy, to make it clear that they should also disclose information about their voting practices. Alternatively, that could be included in the pensions regulator's guidance.

I do not believe that either approach would impose an unreasonable burden on pension funds. If their fund managers are already required to report on their exercise of voting rights, it should be sufficient in most cases for pension funds simply to provide a link to that information on their websites. That would be a small matter for the fund in question, but a huge improvement in accountability for the pension saver. It would also make information directly accessible to the pension saver—instead of them being expected to go hunting for it—and would help to embed transparency right down the investment chain. In the US, the duty of disclosure is now a recognised part of pension funds' fiduciary duties towards their beneficiaries. That is right, and I hope that we can move down that road here.

Those in the investment industry who are unwilling to open themselves up to scrutiny in that way have come up with various arguments over the years to defend their secretive business models. Most such arguments—the idea that such a proposal would be enormously costly, or compromise commercial confidentiality or even damage relationships with the company—have been comprehensively discredited over the years. The latest argument appears to be that it is pointless to require investors to disclose such information because nobody would read it. The Minister should be able to tell us that this argument is nonsense. I understand that in June he received some 1,500 e-mails from supporters of FairPensions asking him to support their right to access such information.

Earlier this year, more than 6,000 people contacted their pension funds to ask how they would be voting on shareholder resolutions about tar sands at BP and Shell's annual general meetings. As it turned out, those savers' concerns about the risks of unconventional oil extraction proved well founded, at least in the case of BP. Those pension funds might have found themselves in a better position financially if they had listened to their members a little more. There is clearly a growing movement of people who want to know what is being done with their money—a movement that is being held back by a pervasive lack of transparency and a culture of hostility to the people whose money is at stake having the impertinence to ask questions.

That brings me to the final point that I want to stress. It is vital that any moves towards greater transparency pay enough attention to environmental, social and governance issues—sometimes known as ESG. Survey after survey has shown that savers care about such issues. The rise of socially responsible investment products and the success of campaigns, such as that on the tar sands resolutions, show that people want to act on that concern, but they must be given the information and the tools to do so. The previous Government sought to give them that information some 10 years ago, by introducing regulations requiring pension funds to state the extent to which they take environmental, social and ethical concerns into account in their investment policies.

Since then, the G in ESG—governance—has received a huge amount of attention, after it became obvious that conflicts of interest, excessive pay and poor risk management contributed to the financial crisis. Yet with typical myopia, many investors still neglect the E and S of ESG—the environmental and social. The Deepwater disaster, which forced BP to cancel its dividend for the first time since the second world war, should have been a wake-up call for anyone who still doubted that companies that ignore such issues face serious financial risks. It should also have been a wake-up call for pension funds—for which the BP dividend was a significant source of steady income—to pay attention to such issues as a key part of their fiduciary duty to pension savers, as the legal opinion obtained for the United Nations Environment Programme confirmed some five years ago.

The challenge of climate change makes recognition of that duty even more urgent. Climate change is not only an investment risk, which it clearly is; it also has innumerable ramifications for the retirement security of the next generation of pensioners. A 25-year-old pension saver clearly has a broad interest in ensuring that his or her savings are reducing rather than increasing the risk that they will grow old in a world ravaged by catastrophic climate change.

The Ministers responsible for the 2000 regulations clearly intended to nudge pension funds into taking account of non-financial issues. To some extent they were successful, as the UK Sustainable Investment and Finance Association noted, in marking the 10th anniversary of the regulations. ESG integration is more mainstream than it was 10 years ago, but there is clearly still a long way to go. It would be wrong to say that the objectives of the 2000 regulations have been achieved. A 2009 United Nations report expressed "disappointment" that investment consultants still advise pension funds to include boilerplate statements on environmental, social and ethical issues that

"meet the letter but not the spirit of the law."

Members who ask about specific voting decisions are often directed to such generic statements, which are of little or no use to them. Indeed, that is exactly what happened to Members of this House who inquired about their own pension fund's stance on the tar sands resolutions earlier this year.

Research by FairPensions also suggests that such box ticking is often not accompanied by much substantive action. Its 2009 survey of pension funds showed that almost all had a policy stating that they took non-financial issues into account, but around a third did not integrate the policy into their agreements with fund managers or assess their fund managers' ability to implement it, nor did they require them to report on its implementation. It is reasonable to ask what those funds were doing to implement their stated policies. It is also reasonable to ask how those policies gave any meaningful insight to the curious member wanting to know what their fund was doing about environmental and social issues. As the UN report concluded,

"the time may have come to review how"

the disclosure regulations'

"effectiveness could be improved with additional reporting and disclosure requirements that will supersede mere 'tick box' compliance."

In other words, perhaps we need a further nudge, some 10 years on from the initial regulations.

I understand that the Minister's official position is that the existing regulations are adequate, but in a recent parliamentary answer, his colleague Lord Freud

[Jon Cruddas]

confirmed that his Department has made no assessment of how the regulations are operating. Given that so many others who have done such analyses have concluded that change is needed, will the Minister commit to exploring how the situation might be improved? Guidance from the pensions regulator on stewardship could provide an opportunity to clarify what constitutes an adequate policy under the 2000 regulations, encouraging pension funds to go further than boilerplate positions.

Perhaps more importantly, the Government could require pension funds to report on a regular basis on how they were implementing that policy. That could be helpful in focusing minds and ensuring that these policies are not, as one fund manager described them, a "dead document" but a genuine commitment that is given full weight in investment decisions. Again, this is not an unreasonable thing to ask. Pension funds are already required to produce an annual report, including an investment report. Under the stewardship code, it is reasonable to assume that this should include a summary of their stewardship activities during the year. It is also reasonable to assume that the report exists to give pension savers meaningful information with which to judge the fund's performance. Environmental and social issues should be no exception to this. There is popular demand for such information, and that demand should be met.

I hope I have shown that pension funds' behaviour as responsible investors, including with regard to environmental and social issues, is neither a trivial sideshow nor an issue that concerns only policy makers dealing with corporate governance or financial services. It has real implications for our ability to meet the challenge of providing a decent pension, and a decent standard of living, for all our citizens across the country.

To recap my questions to the Minister: will he discuss these matters with the pensions regulator? Will he encourage the regulator to produce some guidance? And will he look again at the disclosure regulations and explore ways in which they could be updated or supplemented to ensure that pension savers are getting the levels of transparency that they deserve?

7.41 pm

The Minister of State, Department for Work and Pensions (Steve Webb): I congratulate the hon. Member for Dagenham and Rainham (Jon Cruddas) on securing this debate and raising such an important issue for many of our constituents. Pensions are sometimes seen as a bit of a minority sport for anoraks, but the issue of what is happening to our money, and of whether it is being invested well, and in an environmentally and socially beneficial way, matters very broadly, and the more we can do to reduce the barriers that people face in obtaining that information, the better.

As the hon. Gentleman was speaking, I was reflecting on the fact that I bank with Smile, the internet arm of the Co-operative bank. As a member of the Co-operative movement, I periodically receive mailings about ethical investment issues and about the policies of the bank and how they could change. I have some interest in those matters professionally, but even just as a private citizen I find that process quite engaging. The process of raising such issues directly with individuals to enable them to make informed choices without always having to be proactive and to go and dig them out, makes me feel more positive about the institution that I am dealing with.

The hon. Gentleman is right to raise these issues. He mentioned the organisation FairPensions, and I congratulate it on its research, which is often thorough and careful. It is neither broad-brush nor high-level, but it examines the detail of the law and the regulations to determine how things might incrementally be improved. I welcome the fact that he has brought to the House's attention some of the issues that he and Fair Pensions are concerned about.

I want to respond mainly on the questions of corporate governance and accounting transparency, but I also want to touch briefly on charges. The hon. Gentleman mentioned a figure of 40% of pensions going to pay charges, and that is a figure that we often hear quoted. It is worth correcting the record on what that does and does not refer to. It is certainly not an average or a norm. Someone who pays 1.5% charges through the life of their product might end up losing 40% of the fund on retirement, but there is no reason why anyone with a standard product need pay those charges. The stakeholder cap would start at 1.5% and fall to 1%. The new National Employment Savings Trust—NEST—pension will have an equivalent average management charge of 0.5% a year. Every charge represents a bit coming out of the final return, but people are paying for a service and charges are therefore legitimate provided that they are transparent. It is important not to overstate the extent of charges.

One thing that we hope will happen as a result of introducing the NEST corporation into the market next year, and more fully in the coming years, is that it will have a downward impact on charges across the market. When stakeholder pensions were introduced there was evidence that some charges—which might have been even higher than the figures quoted by the hon. Gentleman—were brought down, and we think that the same will happen again.

That raises the issue of the relevant roles of regulation, on the one hand, and of alternative strategies, on the other. I find a lot of common cause with the points that the hon. Gentleman raised. He is an intelligent and thoughtful contributor to these debates. One of the paradoxes that he raised is illustrated by asking whether further regulation is the solution to regulation that is not achieving what we want it to achieve. Or should we consider better enforcement of existing regulation, or alternative strategies? I suspect that the answer might be a mix of all three. He used powerful terms such as "boilerplate", "paragraphs", "dead documents" and "tick-box" mentalities. We do not want to create new tick-boxes. We want to ensure that the spirit of the law and the guidance is adhered to.

The NEST corporation has done some interesting work on attitudes to ethical investment, which is worth sharing with the House. It was actually the predecessor body to NEST, the Personal Accounts Delivery Authority, that conducted some public consultation on how NEST should invest its members' money. NEST will be a pension fund with the potential to cover millions of people, many of whom will never have had a pension

before and who might not be financially sophisticated investors. The target market was asked whether NEST should offer

"an ethical or socially responsible investment fund".

As the hon. Gentleman might imagine, the research evidence suggests that there was very strong support for NEST offering such a fund, and the corporation is thinking about how it will do that. At the moment, about 40% of defined contribution schemes offer an ethical fund. I appreciate that there is a difference between an ethical fund and transparency in pensions, but there are links between the two.

Back in 2007, my Department looked at the NEST target group, and more than a quarter said that they would invest in an ethical fund regardless of the return. So they thought that they were interested in that idea even if sacrificing a bit of their return was involved. Also, a whisker under half of those surveyed said that they would invest ethically if the returns were equal to other investment types. Perhaps that reinforces the hon. Gentleman's point that there is a big market out there for such investment funds, and that people are concerned about such things. They might not understand every detail of what is happening to their money or what is going on in the financial markets, but they want to know that their money is, as it were, doing good wherever possible. Some are willing to make a financial sacrifice to achieve that, and many more would rather be in that position than not. That suggests that the issues that the hon. Gentleman has raised are important and mainstream, as he said.

One of the challenges in dealing with this issue is that there are many links in the chain. We have the individual investor who puts money into a pension fund, along with their employer. Then we have the pension fund trustees, the investment managers and the businesses in which the money is invested. At each stage there are issues of transparency and reporting that need to be addressed, as the hon. Gentleman rightly says.

The present legislation on occupational pension schemes is contained in the investment regulations of 2000. It will not be entirely helpful to my case to do so, but I am going to quote exactly what they say. They require a scheme's statement of investment principles to

"disclose the extent (if at all) to which social, environmental, or ethical considerations are taken into account in the selection, retention, and realisation of investments."

The regulations also require schemes to disclose

"their policy (if any) in relation to the exercise of the rights (including voting rights) attached to the investments."

As the hon. Gentleman has pointed out, however, that is a requirement to disclose a policy, but not necessarily individual votes on individual issues. I know that many shareholders do not just want information on a boilerplate policy that might be cut and pasted from somewhere else; they want more specific information on how the scheme approaches its position.

The figures change from month to month, but latest figure that I have seen shows that British pension funds own about £1 in every £7 or £8 of the UK stock market, so they are powerful players. Obviously, they do not often speak with a single voice, so they are perhaps more fragmented than that single figure suggests, but the idea that vast numbers of billions of pounds are not having an influence on company behaviour seems implausible. We therefore have an incentive to have a proportionate regime that maximises the beneficial impact of that activity.

There is a lot going on in relation to corporate reporting. In looking into this in preparation for the debate, I identified at least three different Government consultations and calls for evidence that are now going on, and that are relevant to this area. I shall update the House on where we are with those, starting with the Department for Business, Innovation and Skills, which has been consulting on the future of narrative reporting in order to address the coalition commitment to reinstating an operating and financial review. That policy was dropped a while ago, and the intention is to reinstate it. That consultation has closed and our BIS colleagues will shortly publish a summary of responses with a view to outlining the next steps in the new year.

The three key objectives, with which I think the hon. Gentleman would agree, were as follows. The first was to improve the quality of company reporting to shareholders, the second was to empower shareholders to hold directors to account on their performance, and the third was to ensure that any measures we as the Government introduce will improve the quality and relevance of disclosures; that relates to the point that the hon. Gentleman made.

Our colleagues at BIS are, as they say, exploring all the options – regulatory and non-regulatory – to make sure that companies report on matters that are material to their business and their shareholders, including consideration, where relevant, of social and environmental issues. What our BIS colleagues say is that where existing regulation is not meeting its aims, they will be looking at options to facilitate better and more relevant reporting and to empower shareholders to hold companies to account where the needed information is not provided. There is a welcome and ongoing commitment to empowerment of shareholders and to relevant reporting, not just box-ticking exercises.

That is the first exercise, which in a sense is more mature, within the few months for which the coalition has been in power. The second relates to the point that the hon. Gentleman made in his speech about short-termism. The Department for Business, Innovation and Skills published in October a call for evidence on the extent of short-termism and market failures in UK equity markets, looking at issues and causes and whether the current law is suitable. A whole range of issues is covered by that, including whether investors are increasingly short term and whether – to use a bit of economic jargon – there are principal agent problems in the investment chain.

In a sense, that is how I started my remarks, by saying that we do have a chain: there are concerned citizens, perhaps pension funds, financial intermediaries, and then the companies in which they invest. At each stage, as the hon. Gentleman said, the danger is that each thinks it is the other's job to do what is necessary: "Is it my job to report or your job to ask?" There is certainly scope for greater clarity on that subject.

One reason why I mentioned the consultations across government and the calls for evidence is that there may be more openness on such issues early in a new Parliament or new Government than when a Government have been in power for a long time and have a settled and rigid position. Clearly, the present Administration has a

[Steve Webb]

strong emphasis, where possible, on deregulation, so it would be fair to say that there is not an appetite for net additional regulation. That much is true, but where goals can be achieved proportionately by non-regulatory measures or by a mix of regulation and deregulation so that there is no overall increase, there would be much more openness. I would therefore encourage the hon. Gentleman and, through him, Fair Pensions and others, by saying that if they can suggest measures that have no regulatory burden or minimal regulatory burden, or identify other regulations that could be repealed because they are not effective, their ideas would find more favour, particularly with my colleagues in BIS who have overall responsibility for regulatory policy. I hope that that provides a helpful steer.

Continuing the theme of Departments listening and consulting, the Department for Work and Pensions and I have recently published consultation on guidance on default funds. Once we are in a world of auto-enrolment, people who do not make an active fund choice will end up in a default fund, so it is pretty important to see what such a fund looks like. The guidance that we put out for consultation sets out the standards by which default investment options should operate. The hon. Gentleman will be reassured to know that the key standards are about robust governance, review of the default investment option, transparency of charges and providing appropriate information to members about investment decisions. Those things will help.

In connection with the hon. Gentleman's comments about the parliamentary scheme, I can tell him that another scheme of which I have been a member is the universities scheme. I recall speaking at a recent conference where a representative of that scheme was present. I raised the issue of scheme members wanting to know what was being done with their money. I mentioned that as a member of that scheme, I did not recall ever getting any very useful information. His answer was, "It's on the website." I feel that there is occasionally a need to remind those who manage our money that it is our money. That should make them proactive in communicating with scheme members: asking them what they want would be a positive factor in that respect.

The hon. Gentleman mentioned the Financial Reporting Council and its stewardship code. As he said, it has taken a step in the right direction. Fair Pensions' own report "Stewardship in the Spotlight" found that the UK stewardship code had already helped to encourage voting disclosure. Examples are provided of several asset management firms that have improved their practices. I think that that is progress, but I take the hon. Gentleman's point that although it is another link in the chain where things are perhaps improving, we need to look at the whole system. A stewardship code should, in the view of the Financial Reporting Council, be based on the idea of "comply or explain"; in other words, investors should either get on with it and comply, or at the very least explain why they have not done that, so that people can form a judgment on that.

The Financial Services Authority has expressed its belief that the principles of the stewardship code are as applicable to occupational pension schemes as to other types of pension and that, ultimately, occupational pension scheme managers will still be answerable to the scheme's trustees. The FSA does not consider it unreasonable to require scheme managers to disclose their commitment or otherwise to the code, given the nature of the disclosure requirement.

Finally, the hon. Gentleman asked whether I would raise these issues with the new chair of the pensions regulator. I will be very happy to do that—although obviously, the new chair and the regulator itself are operationally independent of the Department and will form their own judgment. I know that they take a risk-based approach to what they do, so one of their top priorities is ensuring that funds are adequate and deficits are dealt with. They prioritise some pretty basic things like making sure that schemes have proper records of who is in them and how much money they have put in. There is a lot on their plate, but the issues that the hon. Gentleman has raised are important as well. I will certainly flag up his and the House's interests in such matters when I meet—as I hope I will before too long—the new chairman whom we announced last week.

In conclusion, I reiterate my thanks to the hon. Gentleman, to Fair Pensions and to other campaigners on these important issues. The Government are doing a lot of listening, consulting and calling for evidence. I hope that the hon. Gentleman and others will feed into those consultations so that the feedback that we get will help to shape the way in which we take forward this important agenda. I am very grateful to him for placing it before the House this evening.

Question put and agreed to.

7.57 pm

House adjourned.

House of Commons

Wednesday 15 December 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

CORONATION OF THE VIRGIN

Resolved,

That an Humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report from Right Honourable Sir David Hirst, Chairman of the Spoliation Advisory Panel, dated 15 December 2010, in respect of an oil sketch by Sir Peter Paul Rubens, The Coronation of the Virgin, now in the possession of the Samuel Courtauld Trust.—(*Angela Watkinson.*)

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Dealing with the Past

1. **Mr Gregory Campbell** (East Londonderry) (DUP): What recent discussions he has had on steps to deal with the past in Northern Ireland. [29910]

The Secretary of State for Northern Ireland (Mr Owen Paterson): My hon. Friend the Minister of State and I have met with political parties, community organisations, academics and victims groups from across the community to discuss dealing with the past. We will continue to listen to the views of people in Northern Ireland to find a way forward on this sensitive and contentious issue.

Mr Campbell: The Secretary of State made a commitment, which he repeated several times, that there would be no more costly, open-ended inquiries. Any decision by him to hold a further, restricted inquiry—for example, into the Pat Finucane incident—would be opposed on the one hand by nationalists and republicans, but regarded by others as a prerequisite for long-standing grievances, against the Irish Republic's Government, for example, to be inquired into. Is it not more sensible and consistent for the Secretary of State to say, "We've reached the end of the inquiry road"?

Mr Paterson: I am grateful to the hon. Gentleman for his question. He is quite right: our stated policy is that we do not want to see any more costly and open-ended inquiries. However, my right hon. Friend the Prime Minister said during the debate on the Saville statement that we would look at individual cases. Our position on the Finucane case—a contentious case, as the hon. Gentleman knows—was laid out clearly in my written ministerial statement on 11 November.

Peter Bottomley (Worthing West) (Con): At the risk of broadening the question from the previous exchange, let me say to the Secretary of State that coming to terms with history is the responsibility of us all. Those who are British, those who are Irish and those who are both welcome the progress that has been made over the past few years and recognise that many have contributed to it.

Mr Paterson: My hon. Friend is absolutely right. We want to bring as broad a range of people as possible into the process of negotiation, so that when we arrive at a means of going forward, as many people as possible have bought into it.

Paul Goggins (Wythenshawe and Sale East) (Lab): The Secretary of State will know that the Attorney-General for Northern Ireland is in the process of reopening a large number of historical inquests, which will place significant additional financial burdens on the Courts Service and the police service. Given the Government's responsibilities in relation to the past, how does the Secretary of State intend to approach the sharing of those costs?

Mr Paterson: The right hon. Gentleman played a key role in seeing those powers devolved. He will know that the administration of inquests is a devolved matter that is entirely in the hands of the Attorney-General for Northern Ireland. It would not be for us to interfere in the mechanics and financing of his Department, which are entirely down to the local Executive.

Mr Shaun Woodward (St Helens South and Whiston) (Lab): Given the commitments by the British and Irish Governments at Weston Park, and the commitment by those Governments to an inquiry into the death of Pat Finucane, does the Secretary of State recognise that it would be unwise for the British Government to act unilaterally?

Mr Paterson: The right hon. Gentleman knows perfectly well that this is not an easy case, as he had three years to resolve the matter, as the real Secretary of State. He effectively ended up with a Mexican stand-off, where the family wanted one thing and he wanted them to have an inquiry, as I understand it, under the Inquiries Act 2005. He knows that this is not an easy matter to resolve, and that is why I had a helpful meeting with Mrs Finucane and her son. I laid out the process that we intend to follow in my written ministerial statement of 11 November.

Mr Woodward: The right hon. Gentleman will know that I have also met with Geraldine Finucane. I pay tribute to the way in which she has conducted herself, as I know he has too. However, notwithstanding his remarks about future inquiries, now that he is the real Secretary of State—as he described it—is he beginning to understand the damage that could be done to community support for the devolved institutions and to the British Government if he were to renege on existing undertakings, made by a previous Government and supported by his party in opposition, to independently investigate the past?

Mr Paterson: I cannot fail to point out that the right hon. Gentleman did not meet Mrs Finucane when he was the Secretary of State. I wrote to her in June, and I had a meeting in November, which was the time that the family chose, and we had a very sensible discussion. He knows that this is not an easy issue to resolve, and I laid out very clearly in the written ministerial statement that a number of issues have to be considered. We are quite open-minded about this, and we are determined to try to find a resolution that is satisfactory to all sides.

Terrorist Threat (Policing)

2. **Bill Esterson** (Sefton Central) (Lab): What recent assessment he has made of the likely effect of proposed changes to public expenditure in Northern Ireland on policing the threat to security from dissident groups. [29911]

3. **Gregg McClymont** (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): what discussions he has had with the Northern Ireland Executive on the likely effect of proposed changes to public expenditure in Northern Ireland on policing the threat to security from dissident groups. [29912]

The Secretary of State for Northern Ireland (Mr Owen Paterson): I meet the Justice Minister regularly to discuss the policing of the terrorist threat and related expenditure. I welcome the publication this morning of the Northern Ireland Executive's draft budget, with its significant allocation to the Department of Justice. I can assure the hon. Gentleman that this Government will ensure that adequate resources are available to meet the threat.

Bill Esterson: Does the Secretary of State understand the very real public concern, not just in Northern Ireland but elsewhere in the United Kingdom, about any cuts in front-line policing in Northern Ireland and the impact that they would have on security and public safety?

Mr Paterson: I am fully aware of the concern that the small number of terrorists presents. That is why the Government have made a fair settlement on the Executive, and I am very pleased today that they have agreed a draft budget with a substantial allocation to the Police Service of Northern Ireland. We have made it absolutely clear that, should the security position deteriorate, we will be open to further discussions with the Executive, as was agreed by the previous Government.

Gregg McClymont: The Minister will be aware that the issue of fleet renewal is causing considerable concern. Will he support any request for additional funds from the PSNI to meet the case for fleet renewal?

Mr Paterson: I think that I alluded to that a second ago. We are quite clear that, should the security position deteriorate, and should a good case be made by the Justice Minister and the Chief Constable—one of whom I talked to this morning; I spoke to the other yesterday—we will be prepared to consider going to the contingency reserve for extra funds in order to bear down on the terrorist threat.

Mr Laurence Robertson (Tewkesbury) (Con): Can the Secretary of State confirm that, if the situation were, regrettably, to get worse in Northern Ireland, either immediately or over the course of the next few years, those extra resources would come from the UK Government, rather than from the money already allocated to Northern Ireland?

Mr Paterson: We are absolutely clear about that. It was part of the settlement made by the previous Government that, should there be a deterioration in the security position in Northern Ireland, the Government of the United Kingdom would be prepared to accept a bid, on security grounds, for resources from the contingency reserve. I repeat that emphatically today. I said that to the Justice Minister when I spoke to him this morning.

Mr Nigel Dodds (Belfast North) (DUP): In view of the recent revelations on the WikiLeaks website—which were confirmed by the former Irish Prime Minister, Bertie Ahern—that Martin McGuinness and Gerry Adams had prior knowledge of the Northern bank robbery in 2003, can the Secretary of State confirm that co-operation will take place between the Garda and the PSNI, that a full investigation will take place, that no stone will be left unturned, and that the Historical Enquiries Team will be allowed to pursue this matter in the way that it is pursuing other cases in Northern Ireland?

Mr Paterson: I thank the right hon. Gentleman for his question. I think that the answer was well put by the party leader at the British-Irish Council in the Isle of Man earlier this week. We are quite clear that those who have a past can explain for themselves. For the present, however, we are content for those who adhere to the Mitchell principles and pursue their legitimate political aims by peaceful democratic means to play a part in the process. The other issues that the right hon. Gentleman raised are matters of law and order; they are matters not for elected Members but for the police and the prosecuting authorities.

Mr Dodds: I am grateful for that answer, as far as it goes. Of course, no one in the Chamber today was at the BIC meeting in the Isle of Man, so I would be grateful if the Secretary of State could elaborate on that point. Will he also make it clear that any resources that the Historical Enquiries Team needs to pursue these particular allegations will be forthcoming, and that the community in Northern Ireland can be assured of an equality of pursuit of allegations in Northern Ireland against dissident republicans and mainstream republicans if they were involved in terrorist activities, such as have been alleged not just by WikiLeaks but by the former Irish Prime Minister?

Mr Paterson: We are strong supporters of the work of the Historical Enquiries Team, who are looking at every one of the 3,268 deaths over the course of the troubles, and we are satisfied that they are absolutely colour-blind in approaching every one of these dreadful incidents. They have also been accredited with neutrality by European institutions, and we are happy that they should pursue their work, which is in the hands of the devolved Administration and financed locally. The Prime Minister and I have been on the record on many occasions, supporting the neutral work of the HET, because we know it does bring significant satisfaction to the families who have so far received reports.

David Simpson (Upper Bann) (DUP): The Secretary of State will be aware that it has been announced that individuals from my constituency will stand trial next year for the murder of the soldiers in Antrim. Does the Secretary of State agree with me that the full rigour of the law needs to be applied and that the sentencing needs to fit the crime?

Mr Paterson: I think that is a sub judice issue. We support the rule of law and it should be pursued by the legitimate people in authority in the legal sphere and the judicial sphere. It is not for us as elected politicians to interfere.

Stephen Pound (Ealing North) (Lab): I am grateful to the real Secretary of State for the comments he made earlier, but members of the PSNI tell me that two of their principal anxieties are the dissident threat and, obviously, financial uncertainty. On 10 November, the Secretary of State said that should the situation become worse, the PSNI would

"have the right to approach the Government" [*Official Report*, 10 November 2010; Vol. 518, c. 276.]

something which I think we all have. Today, he has gone a little bit further. Will he today stand four-square with the PSNI and say that, should the situation become more grave—which we hope it will not—he will support the PSNI's an application to the contingency reserve?

Mr Paterson: I welcome the hon. Gentleman to his new role. I will say emphatically, for the third time during this Question Time—and I said it to the Chief Constable yesterday and to the Justice Minister this morning—that should the security position in Northern Ireland deteriorate, we will adhere to the arrangements, which we have conceded were fixed by the previous Government, that given a deteriorating security position, the Justice Minister and the Chief Constable can come to the UK Government with a security case for funds from the contingency reserve.

Royal Visit

4. **Mr Jeffrey M. Donaldson** (Lagan Valley) (DUP): What discussions he has had with the Irish Government on arrangements for the proposed visit by Her Majesty the Queen to the Irish Republic. [29913]

The Minister of State, Northern Ireland Office (Mr Hugo Swire): Responsibility for any visit by Her Majesty the Queen lies with my right hon. Friend the Foreign Secretary, in consultation with Buckingham Palace. I know that the Taoiseach, Brian Cowen, and the President, Mary McAleese, have expressed their support for a visit by Her Majesty and I very much hope that such a visit will be possible.

Mr Donaldson: In light of the debate that will take place in this House this afternoon and the valuable assistance that we are providing to the Republic of Ireland in its time of need, is it not past time that we had a visit by the sovereign to the Republic of Ireland? After all, the President of the Republic of Ireland has visited the United Kingdom on many occasions and I think it is time now for a degree of maturity and for this issue to be addressed.

Mr Swire: I completely agree with the right hon. Gentleman. There has been no formal invitation yet, but he is absolutely right to draw attention to the matter. The UK and Ireland have an entwined relationship: 870,000 Irish-born people live here in the UK and over 90,000 UK citizens live in Ireland, and I hope they will join us in hoping that this visit can go ahead.

Mel Stride (Central Devon) (Con): Does my hon. Friend have any concerns about security issues in respect of the Queen's proposed visit to the Irish Republic?

Mr Swire: I do not think it would be very responsible of me to comment on that, save to say that we work extremely closely with the Garda, they work extremely closely with the PSNI and I have complete faith that they would be able to see that a visit of that sort went off without any trouble whatsoever.

Prisons

5. **Mr Stephen Hepburn** (Jarrow) (Lab): What recent discussions he has had with the Northern Ireland Executive on future provision of prisons in Northern Ireland. [29914]

The Minister of State, Northern Ireland Office (Mr Hugo Swire): The provision of prisons is now entirely a matter for the devolved Administration. My right hon. Friend the Secretary of State's statement to the House of 4 November outlined the discussions he has had with Justice Minister David Ford on the recommendations in the Billy Wright inquiry report.

Mr Hepburn: Will the Government's spending decisions have any impact on potential new capital projects such as Magilligan prison and the new police training college?

Mr Swire: The hon. Gentleman raises a good point. As we have said before in the House, we are committed to standing by the terms of the policing and justice financial settlement, which will enable the Executive to come to their own view about new capital expenditure, including on Magilligan prison, and we are closer to that with the announcement of the draft budget today, in respect of which we are very grateful to all the parties.

Jim Shannon (Strangford) (DUP): In the last couple of days the Prison Service has received some adverse publicity from certain sections of the Northern Ireland media. The Prison Officers Association has stated that it accepts that some degree of change is needed. What discussions has the Minister had with the POA to bring the service forward and to get a balance, which is clearly what we need?

Mr Swire: I have, of course, followed those comments and seen the various interviews with the Justice Minister, David Ford. These are devolved matters: prisons are the responsibility of the Department of Justice. We follow these matters closely, but they are best left to those properly in charge of them.

National Asset Management Authority

6. **Mark Reckless** (Rochester and Strood) (Con): What assessment his Department has made of assets held by the Republic of Ireland's National Asset Management Agency in Northern Ireland; and if he will make a statement. [29915]

The Minister of State, Northern Ireland Office (Mr Hugo Swire): We are not in a position to make a detailed assessment of these assets. The Northern Ireland Executive are in touch with the authorities in Dublin and NAMA's Northern Ireland Advisory Committee, and my right hon. Friend the Secretary of State raised Northern Ireland interests in relation to NAMA with the Taoiseach on Monday.

Mark Reckless: Given the difficulty NAMA is having in managing these assets and the Republic's already over-indebted situation, would it not make sense for us to take some of those assets off its hands, as consideration for financial support we may give?

Mr Swire: My hon. Friend will have an opportunity to make those and other points in the debate on the Loans to Ireland Bill no doubt he will wish to take part in that. I think he should be proud of what we are doing, however. We are now part of the solution rather than the problem, and we believe it is right that we, as a country that has so much trade with the Republic of Ireland, should come to its support at this time, with no conditions.

Mark Durkan (Foyle) (SDLP): The Minister has indicated that the Northern Ireland Office is not in a position to make an assessment. Does he believe that the Treasury is in a position to make an assessment, and has it done so?

Mr Swire: That is a good question. My hon. Friend the Financial Secretary to the Treasury has said that discussions continue with the Government in Dublin about NAMA and the way forward, so they are clearly in regular discussions. Again, no doubt my hon. Friend will inform the House about that in the debate this afternoon, and discuss it with those who wish to take part in that debate.

Air Transport Strategy

7. **Dr Alasdair McDonnell** (Belfast South) (SDLP): What discussions he has had with the Secretary of State for Transport and the Northern Ireland Executive on the development of an air transport strategy for Northern Ireland. [29916]

The Minister of State, Northern Ireland Office (Mr Hugo Swire): The Government fully recognise the importance to Northern Ireland of a suitable framework for air travel, particularly for the economy and export trade. My right hon. Friend the Secretary of State and I will continue to engage with colleagues in Government and the Northern Ireland Executive as the new aviation policy framework is developed in the new year.

Dr McDonnell: I thank the Minister for his answer, and endorse the point he makes about an air transport strategy and framework being essential to our economic recovery, particularly in respect of tourism. *[Interruption.]* Can he assure me, however, that he will do all in his power to work with those responsible—both the Secretary of State for Transport and the Department for Regional Development in Northern Ireland—to ensure that we get a functioning strategy that provides air links to Europe, Canada and the United States? *[Interruption.]*

Mr Speaker: Order. I wish to hear the Minister's reply, and I am sure the House wants to hear it as well.

Mr Swire: I am most grateful to you, Mr Speaker.

The hon. Gentleman is right, and I know he represents his constituents well in these matters. A balance has to be struck between extending the amount of flights that are available and the environmental consequences of doing that. I should declare that I have had meetings with Flybe, which operates out of Belfast City, and is based in my constituency. It does an excellent job, and I know it is always looking for new routes. The hon. Gentleman is absolutely right: in order to grow tourism and exports, which we have to do to rebalance Northern Ireland's economy, we have to make sure that we have transport links that are as good as any other part of the United Kingdom.

Residual Terrorist Groups

8. **Robert Halfon** (Harlow) (Con): What recent discussions he has had on the threat to security in Northern Ireland from residual terrorist groups. [29917]

The Secretary of State for Northern Ireland (Mr Owen Paterson): I meet regularly with my security advisers and David Ford to discuss the terrorist threat in Northern Ireland. The threat level in Northern Ireland stands at severe, meaning an attack is highly likely. So far this year there have been 206 arrests, both in Northern Ireland and the Republic, for acts of terrorism and serious criminal incidents related to terrorism.

Robert Halfon: I thank my right hon. Friend for his reply. How is he working with the Republic of Ireland to facilitate the cross-border strategy for dealing with dissident violence?

Mr Paterson: I am very grateful for that question. Co-operation with the Republic of Ireland on this issue is at an unprecedented level. I pay tribute to the outgoing commissioner, Fachtna Murphy, who has done a tremendous job, and I am delighted that Martin Callinan has been appointed as his successor. *[Interruption.]* A symbol of that was the cross-border strategy announced this week, showing the unprecedented collaboration between the PSNI and the Garda. *[Interruption.]*

Mr Speaker: Order. There are far too many noisy private conversations taking place in the Chamber. I call the Rev. William McCrea.

Dr William McCrea (South Antrim) (DUP): Thank you, Mr Speaker. In the discussions held concerning the serious threat from republican dissidents, has the issue of police manpower been raised? Has due consideration been given to the representation made by the Police Federation concerning police numbers, especially the police reserve, and in light of the relevant extra financial resources that would be necessary?

Mr Paterson: I am delighted to see the hon. Gentleman back in his place following his illness, as always asking pertinent questions. He will know that police levels in Northern Ireland are the highest in the United Kingdom at 4.2 per 1,000. The numbers of police are for the Chief Constable to decide—it is an operational matter—but as I have said on several occasions already in this Session, we will stand by Northern Ireland and if the Chief Constable and the Justice Minister make a good security case, we will consider access to the contingency fund.

Republic of Ireland (Financial Developments)

9. **Mr Philip Hollobone** (Kettering) (Con): What recent assessment he has made of the effects on the Northern Ireland economy of recent financial developments in the Republic of Ireland. [29918]

The Minister of State, Northern Ireland Office (Mr Hugo Swire): We are concerned about the risk that the current economic difficulties in the Republic of Ireland might have on Northern Ireland. We will continue to work closely with the Northern Ireland Executive on these issues. The Financial Secretary and the Secretary of State met the First Minister and Deputy First Minister on 24 November to discuss these matters.

Mr Hollobone: What steps can my hon. Friend the Minister take to do his best to protect the Northern Ireland economy from the worst effects of the financial crisis in the south?

Mr Swire: As I said before, we should be proud of being part of the solution, rather than the problem, and it is right to stress the interdependence of the two economies. Ireland accounts for 5% of the UK's total exports. We export more to Ireland than to Brazil, Russia, India and China together, and it is incredibly important—40% of Northern Ireland's exports go there as well. So a healthy economy in Dublin is important to a healthy economy in Belfast.

Security Threats (Policing Provision)

10. **Steve Rotheram** (Liverpool, Walton) (Lab): What recent discussions he has had with the Northern Ireland Executive on the provision of resources to the Police Service of Northern Ireland to address security threats from dissident activity. [29919]

The Secretary of State for Northern Ireland (Mr Owen Paterson): PSNI resources are primarily a matter for the devolved Administration. I am delighted that the Executive have agreed a draft budget. This Government will work to support the PSNI where exceptional security pressures exist.

Steve Rotheram: Can the Secretary of State tell the House whether he has given the Chief Constable of the PSNI a specific assurance that he will continue to have access to additional funds from the reserve, so that vital community-based policing does not suffer from a lack of resource?

Mr Paterson: I am very grateful to the hon. Gentleman for his question. Of course, in Northern Ireland, community policing is an absolutely vital part of moving the process forward. The Chief Constable has been allocated significant resources in the draft budget today, and it is up to him how to apportion those significant sums of money.

Enterprise Zone

11. **Jack Lopresti** (Filton and Bradley Stoke) (Con): What plans he has to make Northern Ireland an enterprise zone. [29920]

The Secretary of State for Northern Ireland (Mr Owen Paterson): My hon. Friend the Exchequer Secretary is writing to the Northern Ireland Executive this week with a draft consultation paper on rebalancing the Northern Ireland economy. He and I will be meeting Executive Ministers in the new year to discuss the paper before publishing it for consultation.

Jack Lopresti: Does my right hon. Friend agree that Northern Ireland's high dependence on the public sector is simply untenable, and that it is more important than ever that private sector innovation be promoted in the Province, in order to rebalance the Northern Ireland economy?

Mr Paterson: My hon. Friend is absolutely right on this, and I am very pleased to see his continued interest in Northern Ireland matters. We have been saying for three years now that an economy that depends for 77.6% of its GDP on state spending is wholly unsustainable. It will need rebalancing. That will take time. To do nothing is irresponsible; to move too fast is irresponsible, and I estimate that it will take, probably, 25 years. This week, we will be sending a paper to the Executive for discussion, looking at ways of turning the whole of Northern Ireland into an enterprise zone.

PRIME MINISTER

The Prime Minister was asked

Engagements

Q1. [30541] **Heidi Alexander** (Lewisham East) (Lab): If he will list his official engagements for Wednesday 15 December.

The Prime Minister (Mr David Cameron): This morning, I had meetings with ministerial colleagues and others, and, in addition to my duties in this House, I shall have further such meetings later today.

Heidi Alexander: Time and time again, the Prime Minister has said that he wants to protect the poorest and most vulnerable while reducing the budget deficit, so can he explain to me and to residents of my Lewisham East constituency why he is heaping huge cuts on local councils, which tend to spend half their overall budget on child protection, care for the elderly and services for the disabled?

The Prime Minister: Let me tell the hon. Lady what we are doing in Lewisham to protect the most vulnerable. The per pupil funding in our schools in Lewisham will be maintained at £6,951 per pupil—that is the 10th highest

in the country, recognising the level of deprivation. On top of that, for the first time in our history we will be adding a pupil premium of £430 per child. That is an excellent policy.

Q2. [30542] **Mark Reckless** (Rochester and Strood) (Con): The BBC reports that the German Finance Minister wants to set an interest rate to punish Ireland. Will the Prime Minister confirm that this country wants to help Ireland?

The Prime Minister: My right hon. Friend the Chancellor of the Exchequer will be setting out the details of the loan on Second Reading of the Bill today, but I think that it is worth standing back and asking ourselves, "Why is it that we are able to make a loan to Ireland? Why is it that people are asking us to do that?" It is because Britain's economy is out of the danger zone and recovering. If we had listened to the Labour party, we would still be in a hole.

Edward Miliband (Doncaster North) (Lab): May I start by paying tribute to our troops serving in Afghanistan? We owe them a huge debt of gratitude for everything that they are doing for us, and our thoughts will be with them and with their families, who will be apart from them at this time of year.

Does the Prime Minister recognise the concern that there will be about the rise in unemployment of 35,000 that we saw this morning? Does he understand that for all those families around the country, his confidence and indeed his restatement today that Britain "is out of the danger zone" will seem very hollow?

The Prime Minister: First, let me join the right hon. Gentleman in paying tribute to our forces in Afghanistan, whom I visited last week, and to all their families, who will be missing them at Christmas time. To be fair, under the Government of whom he was a part and under this Government we are making big improvements on their contact home—on fax time, telephone time and all the contact that they need—and that is absolutely right.

On the unemployment figures, of course everyone should be concerned—and I am concerned—by a rise in unemployment. When anyone loses a job it is a tragedy for that person, and we must do everything we can to help people into work. With the Work programme we will be launching the biggest back-to-work programme in this country for 70 years. To be accurate, although part of the figures are disappointing, they are mixed because we see that the claimant count has come down in the unemployment figures and we are also seeing an increase in the number of vacancies in our economy—every day there are another 10,000 vacancies. So, yes, we have to get the private sector going and increase the number of jobs available. Over the past six months, we have seen 300,000 new private sector jobs. We need more of them, and keeping our economy out of the danger zone is the way to get them.

Edward Miliband: The Prime Minister slightly sounds as though he paints himself as an innocent bystander in relation to the unemployment figures. He should not be pressing ahead with a rise in VAT on 4 January and £20 billion of public spending cuts.

I want to turn to another aspect of the Prime Minister's financial plans. Can he confirm that the Government are now set to break the promise made in the coalition agreement:

"We will guarantee that health spending increases in real terms in each year of the Parliament"?

The Prime Minister: Being a bystander would mean having no plans to deal with our economic problems. This Government are cutting corporation tax, abolishing Labour's jobs tax, reducing national insurance and increasing our jobs programme. No one should be complacent; complacency is having no answers. No one should be complacent, but we do see retail sales up, exports up, manufacturing up, interest rates coming down since the election and growth higher than expected. I am not in the slightest bit complacent about what we need to do, but let us not talk down the performance of our economy.

Turning to the NHS, we have increased the NHS budget by £10 billion in this Parliament. I must say to the right hon. Gentleman that only one party stood at the election on saving the NHS and its spending and that was this party right here. I am confident that we will fulfil our goal of real-terms increases every year in the NHS.

Edward Miliband: It is very interesting that the right hon. Gentleman says that he is confident. He should listen to what the Conservative-led Health Committee said only on Monday. It said that with inflation now higher,

"the Government's commitment to a real terms increase in health funding...will not be met."

We all remember those posters during the election and we all remember his face, airbrushed, on those posters. Will he now admit that he is breaking that promise?

The Prime Minister: We are not breaking that promise. We want to see NHS spending increase by more than inflation every year. Let me be clear about who supports this policy. The shadow Chancellor—this is not vague, but pretty clear—said, when asked whether it is right to protect NHS spending:

"There is no logic, sense or rationality to it at all."

Let us be clear: on this side of the House, we want real-terms increases in health spending to ensure that we improve the health of our nation; the Opposition are committed to cutting the NHS.

Edward Miliband: I know that the right hon. Gentleman is good at the broad brush, that he is good at the airbrush and that he does not do detail, but he should read the report, which says that health service spending will be cut next year in real terms.

Let me turn to his next broken promise on the NHS. He pledged, and the coalition agreement says:

"We will stop the top-down reorganisations of the NHS that have got in the way of patient care".

but that is exactly what the Government are forcing on the health service. Fewer than one in four doctors think that it will improve patient services and independent experts say that it will cost £3 billion. After six months, is not an old truth being confirmed? When it comes to the NHS, you cannot trust the Tories.

The Prime Minister: There are moments when I think I am up against Basil Brush. When it comes to protecting the NHS, only one side of this House is committed to protecting NHS spending and that is this side.

Now we come on to reforming the NHS. We are not reorganising the bureaucracy of the NHS; we are cutting and abolishing it. Because we are making a 45% saving in the bureaucracy of the NHS, that will save £1.9 billion. Because we are increasing the spending on the NHS, that money will go into hospitals, beds, nurses and doctors. All those things would be cut if it was up to the Opposition because they do not have a commitment to maintaining NHS spending.

Edward Miliband: The Prime Minister is breaking his promise and he does not want to admit it. What does he want to do? He wants to leave it to the back end of the pantomime horse, the Deputy Prime Minister, to break the promises. It is time that the front end of the pantomime horse took some responsibility.

I want to ask the Prime Minister about another broken promise, on the education maintenance allowance. Why does he not go a couple of miles away from here—I know that he does not talk to students, or only to those in China—to Southwark college and talk to the students and teachers there? The business teacher there wrote to me and said—*[Interruption.]* I would have thought that Government Members would want to listen to the fate of students and young people up and down this country. The teacher said:

"I see the benefits that the EMA provides for many of my learners. I see how they struggle to pay for transport…books and other essentials. How can we expect them to aspire to a better life if we deny them the means?"

The Prime Minister: The right hon. Gentleman wants to talk pantomime. I am afraid it will not be long before he is thinking, "Look behind you!"

The problem with the education maintenance allowance is that research shows that 90% of those who receive it would stay on at school anyway. As we are raising the school participation age to 18, it is right that we replace the education maintenance allowance with something that is better targeted. The right hon. Gentleman has to look at the bigger picture, which is that we inherited a completely wrecked set of public finances. His questions are always about this cut or that cut; we know which cuts he is against, but he has not made one single suggestion about how to dig the country out of the pit of debt that he left us in.

Edward Miliband: The truth is that the right hon. Gentleman began the year making promises and now he is breaking them. The promise on NHS spending—broken; the promise on the education maintenance allowance—broken; the promise on universal child benefit—broken; the promise on knife crime—broken; and the promise on new politics—broken. Should not his new year's resolution for 2011 be to keep the promises he made in 2010?

The Prime Minister: It can be put quite simply: Labour started the year with a leader who was dithering and had no answers on the economy and it has ended the year with a leader who is dithering and has no answers on the economy. I suppose, in Labour terms, that is what passes for progress.

Q3. [30543] **Iain Stewart** (Milton Keynes South) (Con): The Bletchley Park Trust in my constituency hopes to buy for the nation the personal papers of Alan Turing, the heroic wartime code breaker. It is confident of raising the funds to buy the papers, but there is a danger that the auction might take place before it has the chance to do so. Will my right hon. Friend do all he can to give Bletchley Park a fair chance to secure those important documents for the nation?

The Prime Minister: I would certainly like to do that, because I think my hon. Friend is entirely right. Alan Turing was a remarkable man. Many of the people who worked on cracking the enigma code at Bletchley Park during the war are still alive and we owe them a huge debt of gratitude. They made a decisive difference in winning the second world war and we should praise all of them. Of course I hope that private donors will generously support the fundraising campaign and I am very happy to work with my hon. Friend and do anything I can to make that happen.

Joan Ruddock (Lewisham, Deptford) (Lab): Earlier, the Prime Minister expressed concern about unemployment. Unemployment in his constituency is 1.5% whereas in my constituency it is 7.3%. A full Jobcentre Plus service is available in Witney, but he has decided to close down the Deptford jobcentre. That cannot meet any test of fairness, so will he personally review that disastrous decision?

The Prime Minister: I will very happily look at the distribution of jobcentres, but the fact is that, through local government and other spending, we put a lot more money into deprived areas in our country. *[Interruption.]* Yes, we do. I had a little check before coming to Question Time and if we look at what is happening to grant changes—for instance, comparing my constituency with that of the right hon. Member for Doncaster North (Edward Miliband)—the cut in grant in my constituency is 27% greater than in his. I simply do not accept that the Government are not being fair and helping those who need help the most.

Q4. [30544] **Nadhim Zahawi** (Stratford-on-Avon) (Con): All of us in the Chamber will have had tragic cases of late diagnoses of cervical and breast cancer in our constituencies—cancers that should and can be survived. The Prime Minister promised to do more when he was in opposition. Now that we are in government, what is he doing about the unacceptably low survival rates?

The Prime Minister: My hon. Friend is absolutely right to raise this issue. The first thing we did was to make good on our promise of a cancer drugs fund. We put money into that fund so that thousands of people who were without the drugs they needed can now get them. We want to see further improvements on cancer screening and much more focus on cancer outcomes, and unlike the Labour party we are prepared to put the money in to make sure it happens.

John McDonnell (Hayes and Harlington) (Lab): According to the latest statistics, children of asylum seekers have been placed in detention centres on 665 occasions in the past year, which means that it is highly likely that there will be children in our detention

centres this Christmas. This is not a party-political point. May I ask the Prime Minister, on behalf of the whole House, to give a commitment that by next Christmas, in 2012, there will be no children of asylum seekers in detention centres, and that there never will be again?

The Prime Minister: The hon. Gentleman has made an important point. In our coalition agreement we made a commitment to address the issue, and the Deputy Prime Minister will make a statement tomorrow about how we will end this scandal.

Q5. [30545] **Mr Edward Leigh** (Gainsborough) (Con): As naval aviation celebrates its centenary, will my right hon. Friend guarantee that the promised transfer of 20 Merlin helicopters from the RAF to the Fleet Air Arm will indeed take place? Otherwise critical mass may well be lost, and the first 100 years of a service that has defended us in peace and war may be the last 100 years.

The Prime Minister: My hon. Friend is absolutely right to raise that point. Of course I will look into the issue of the Merlin transfer. However, we should be clear about the fact that Britain will still have the fourth largest defence budget anywhere in the world. The Navy will have seven Astute class submarines, 19 destroyers and frigates, 14 minesweepers and other vessels, the Royal Marines—obviously—and our nuclear deterrent. We will have a large and fit-for-purpose Navy of which the country can rightly be proud.

Mr David Lammy (Tottenham) (Lab): The Prime Minister will be aware that there are two great football clubs in north London, Tottenham Hotspur and Enfield Town. He will also be aware that Spurs are considering moving across London to the east end—to the Olympic park. Will he join me, and the Spurs fans who signed a petition entitled "Say NO to 'Stratford Hotspur'", in urging the Spurs chairman to put the club and its history before shareholder value?

The Prime Minister: My recent experience has taught me to stay out of international football management. While paying tribute to the right hon. Gentleman's club, to Enfield Town and, of course, to Arsenal as well—I think it right to do that—I will let the club make the decision. However, it is true to say that on the Olympic site there will be a fantastic stadium of which I hope one football club will take advantage.

Q6. [30546] **Malcolm Bruce** (Gordon) (LD): Will the Prime Minister join me in thanking and expressing appreciation to the postal service workers across the United Kingdom—including those whom I visited in Inverurie, Dyce and Ellen—who are struggling through snow and ice to make their deliveries? Does he agree that the mail order firms that are cancelling Christmas in Scotland by refusing to accept orders should recognise that they cannot and do not match the universal postal service, and that for that reason it should be secured and protected?

The Prime Minister: The right hon. Gentleman has made an extremely good point. I am sure that all Members in all parts of the House—many of whom will take the opportunity to visit sorting offices this Christmas—will want to record our support and thanks for the very good work that postal workers do throughout the country in ensuring that everything is delivered in time for Christmas. I know that they are having a particularly difficult time in Scotland. Additional air and rail services have been laid on to speed the movement of mail in and out of Scotland, and Royal Mail itself has made a big investment—of £20 million—to try to deal with the most severe weather that it has faced for 30 years.

Again, let us all pay tribute to those who will ensure that cards and presents are delivered on time.

Q7. [30547] **Mr David Hamilton** (Midlothian) (Lab): The right hon. Member for Gordon (Malcolm Bruce) is right. The situation has been horrendous in Scotland, and indeed in the north of England. The only people who are delivering are those in Royal Mail, as the private companies have offloaded their commitments on to it.

The £20 million invested by Royal Mail is important. Will the Prime Minister give a straight answer to this question? Will he guarantee that universal service, and will he and his friend the Chancellor of the Exchequer, who is sitting next to him, review Royal Mail's privatisation and step back from it?

The Prime Minister: The whole point of trying to get private capital and management involved in Royal Mail is to make the service better, and to ensure that it can go on doing all the things that we want it to do. Opposition Members—including the Leader of the Opposition—shake their heads, but the fact is that they were going to present plans in the last Parliament, because even they realised that this needs to be done.

Mary Macleod (Brentford and Isleworth) (Con): Will the Prime Minister join me in paying tribute to the service of the Gurkhas and, especially, to my Chiswick constituent, Havildar Lachhiman Gurung, who died on 12 December aged 92? He won the Victoria cross while serving with the Gurkha Rifles in Burma in 1945, where he demonstrated

"outstanding gallantry and extreme devotion to duty, in the face of almost overwhelming odds".

The Prime Minister: I certainly join my hon. Friend in paying tribute to the Gurkhas both past and present. Anyone who goes to Afghanistan and sees how many Gurkhas there are not just in the Gurkha Rifles but in some of the logistic regiments, serving our country extremely well, will know that we owe them the greatest debt of gratitude, and we must always make sure that it is paid in full.

Q8. [30548] **Mr Ronnie Campbell** (Blyth Valley) (Lab): This has been a momentous week, with the trebling of tuition fees for students and the average decrease of 10% in grants for local councils. We have also been told this week that the Chancellor has to build up a war chest of £50 billion just in time for the general election—paid for by working people and their families. *[Interruption.]* That is right; that is the question.

The Prime Minister: I am not quite sure what the question is. Let me just answer the point about fees by putting this point on the record. The Institute for Fiscal Studies has looked carefully at our plans, and it finds:

"By decile of graduate lifetime earnings, the Government's proposals are more progressive than the current system or that proposed by Lord Browne. The highest earning graduates would

pay more on average than both the current system and that proposed by Lord Browne, while lower earning graduates would pay back less."

I say to the Opposition, including the hon. Gentleman, if they want a progressive system for tuition fee reform, that is what we offer. In terms of dealing with the deficit, it is absolutely vital that we get on top of it. That is good for everyone in this country, his constituents included.

Q9. [30549] **Miss Anne McIntosh** (Thirsk and Malton) (Con): Will the Prime Minister ensure that primary care trusts, strategic health authorities and all NHS bureaucracies serve patients, not their own interests? Will he further ensure that the Secretary of State for Health intervenes to stamp out any excessive failures caused by that unnecessary bureaucracy?

The Prime Minister: I agree with my hon. Friend, but the key is to try to get rid of so much of that bureaucracy. Under the previous Government, the number of managers went up faster than the number of nurses, and our aim is to reduce that bureaucracy, get rid of that bureaucracy and put power in the hands of GPs and their patients, so that the decisions taken in our constituencies about hospitals and services are driven by the choices our constituents make, rather than by bureaucrats. That is the key to those reforms and why I hope everyone in the House will support them.

Q10. [30550] **Chris Ruane** (Vale of Clwyd) (Lab): Is there any truth in the rumour that tomorrow the Liberal Democrats will move the writ for the Oldham East and Saddleworth by-election for 13 January, thus denying the good people of Oldham a politician-free Christmas and new year? Is that unseemly haste over the festive season a cynical attempt by the Government to avoid the wrath of the public and especially students on tuition fees, school cuts and police cuts?

Mr Speaker: We have got the message. The Prime Minister can give an answer.

The Prime Minister: Do I gather that the Opposition are frightened of having an election? I would put the question the other way: why should the people of that constituency put up with not having a Member of Parliament, and what have you lot got to be frightened of?

Andrew Bridgen (North West Leicestershire) (Con): Will the Prime Minister outline to the House the steps that the Government are taking to cut through the legacy of red tape and bureaucracy that we inherited from the previous Government in order to deliver real value-for-money front-line services?

The Prime Minister: There is no doubt that regulation has got out of control in this country. That is why my right hon. Friend the Business Secretary is introducing a new one-in, one-out rule—so that any time the Government want to legislate or regulate they have to remove a regulation first. That sort of discipline can make a real difference.

Q11. [30551] **Dr Alasdair McDonnell** (Belfast South) (SDLP): May I put on the record my appreciation, and the appreciation of many, of the goodwill and practical neighbourly support that the Prime Minister and Chancellor have shown to Ireland at this difficult time? It makes very good sense, because the Irish economy, the Northern Ireland economy and the British economy are closely intertwined. But the economic indications are that Northern Ireland is still in decline and the economy is in serious need of a boost. May I ask the Prime Minister for his assessment of the possibility of a boost to the Northern Ireland economy by reducing corporation tax to 12.5%?

The Prime Minister: The hon. Gentleman makes a good point about the economy in Northern Ireland. We want to see it recover and grow, but everyone in Northern Ireland knows that the size of the state—the size of government—in Northern Ireland has become too big, and we have to see a private sector recovery. We are looking at all sorts of ideas, including the enterprise zone to which my right hon. Friend the Secretary of State for Northern Ireland referred. I should also like to put on record my thanks to those Northern Irish Members who are going to support what we are doing to help the Republic of Ireland in its time of need.

Q12. [30552] **Sajid Javid** (Bromsgrove) (Con): The people of Bromsgrove are immensely proud of our brave servicemen and women. That is why Bromsgrove district council has decided to give the freedom of the district to the Mercian Regiment next month. Will the Prime Minister join me in congratulating the decision of the council, and does he believe that we can all do more to honour our heroes?

The Prime Minister: I certainly join my hon. Friend in doing that. Bromsgrove is absolutely right to honour the Mercian Regiment in that way. He brings out an important point. Yes, we have responsibility, as a Government and as a House of Commons, to deliver on the military covenant for our personnel in the armed services, but there is a broader responsibility on businesses, on the media, on us as individuals and on the whole country to work out what more we can do to recognise the bravery of these people who do so much on our behalf.

Q13. [30553] **Hugh Bayley** (York Central) (Lab): There are 1,238 students at York college who come from families poor enough to qualify for a full education maintenance allowance. That is one in three at the college. The chair of governors describes the Government's plans for EMAs as "totally unacceptable" and the replacement funding as "woefully inadequate." I know that the Prime Minister visits North Yorkshire from time to time, will he show that he cares about social mobility and that he really is a one-nation Tory by meeting people from the college to discuss—

Mr Speaker: Order. I think we have got the thrust of it.

The Prime Minister: I absolutely accept that we have got to do more to help people to get from the very bottom to the very top. That is why we have saved the per pupil funding and why we are increasing the pupil premium. When we look at what happened over the last few years, since 2004, child poverty rose by 100,000, inequality reached the highest level since 1961, and 5 million people were stuck on out-of-work benefits.

That is why we need to change the way that we help people to get on in life, and that is exactly what we are committed to doing.

Q14. [30554] **Mike Freer** (Finchley and Golders Green) (Con): As we approach Holocaust memorial day, will the Prime Minister confirm that the Government will generously donate to the Auschwitz-Birkenau restoration fund?

The Prime Minister: I can do that. Auschwitz-Birkenau is a very powerful reminder of the ultimate consequences of intolerance, and it is only right that it should be preserved to bear witness to the deaths of the millions of victims who perished there and to act as a stark reminder of man's inhumanity to man. The director of the Auschwitz-Birkenau Foundation has recently visited the UK to discuss funding with a number of Government Departments, and we are also involved in EU discussions. I think everyone in this House knows how important it is to maintain these memorials. We obviously remember the holocaust, but we must also remember that there have been other acts of gross inhumanity more recently. We have to go on remembering to stop that happening again.

Mr Kevin Barron (Rother Valley) (Lab): Will the Prime Minister tell the House whether, when he appointed the ex-Member for Arundel and South Downs to the other place, he knew his thoughts on state benefits being an incentive to breed? Is that another example of the new politics the Prime Minister promised the country?

The Prime Minister: I do not know how long that one took to think up. The former hon. Member, who is now a Member of the House of Lords, completely withdrew those comments and apologised for what he said, which was completely unacceptable. I am prepared to leave it at that.

Q15. [30555] **Andrea Leadsom** (South Northamptonshire) (Con): Is my right hon. Friend aware of the concern of many people at reports in the press that he plans to support high-speed rail regardless of next year's consultation? Will he spread a bit of Christmas cheer by reassuring my constituents that he will keep an open mind and that he will not be railroading through a railroad?

The Prime Minister: I completely understand the concern that there is all the way along the proposed line. Obviously, people are worried about it and, yes, this is a proper consultation—it must be a proper consultation and it will be. As I have said before at the Dispatch Box, for 50 years we have been trying to deal with the north-south divide and have a more effective regional policy. I do believe that high-speed rail has a really effective role to play in bringing our country closer together and spreading economic benefit throughout all our country.

Alison McGovern (Wirral South) (Lab): Students in Wirral tell me that they need their education maintenance allowance for travel to go to the sixth form or college of their choice. Catherine McCormack, the head of South Wirral high school, says:

"Without EMA, choice and diversity are not supported."

Does the Prime Minister think that a choice of courses is only for those who can afford it?

The Prime Minister: I have to say to the hon. Lady that we looked very carefully at the study that was completed under the Government of the Labour party and it showed that nine out of 10 of those people receiving education maintenance allowance would have stayed on at school anyway. This is why the Labour party landed us in such a mess over the economy. We have to ask the question about value for money and whether we are spending money in the correct way. We are not abolishing EMAs: we are replacing EMAs with something more effective. At a time—*[Interruption.]*

Mr Speaker: Order. Members ask the question; they must listen to the Prime Minister's answer.

The Prime Minister: At a time when we are legislating to raise the participation age to 18, we have to ask whether it is it is right to spend so much money on asking people to do something that by law they will be asked to do anyway.

Robert Halfon (Harlow) (Con): Time and time again, we seem to be exporting extreme Islamist terrorists and suicide bombers to Afghanistan, Israel and now Sweden. What steps is my right hon. Friend taking to drain the poison of extreme Islamism from our country?

The Prime Minister: My hon. Friend raises an incredibly important point. If we are frank on both sides of the House, we have not done enough to deal with the promotion of extremist Islamism in our country. Whether it is making sure that imams coming over to this country can speak English properly, or whether it is making sure that we de-radicalise our universities, we have to take a range of further steps, and I am going to be working hard to make sure that we do. Yes, we have got to have the policing in place; yes, we have got to make sure that we invest in our intelligence services; yes, we have got to co-operate with other countries—but we have also got to ask why it is that so many young men in our country get radicalised in this completely unacceptable way.

Mr Speaker: We come now to the 10-minute rule motion. I call Nadhim Zahawi. *[Interruption.]* If the hon. Gentleman would just wait for a moment, may I, as always, appeal to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly so that the same courtesy is extended to the hon. Member for Stratford-on-Avon as they would want to be extended to them? *[Interruption.]* I hope that Members are on their way out, but large numbers of Members will of course be staying to listen to the hon. Gentleman.

St George's Day and St David's Day

Motion for leave to bring in a Bill (Standing Order No. 23)

12.31 pm

Nadhim Zahawi (Stratford-on-Avon) (Con): I beg to move,

That leave be given to bring in a Bill to designate St George's Day, or the nearest working day, as an annual public holiday in England with effect from 2012; to designate St David's Day, or the nearest working day, as an annual public holiday in Wales with effect from 2012; and for connected purposes.

In all three primary party manifestos, we vowed to promote national integration. One of the most effective ways of achieving that is to make the saints' days of St George and St David bank holidays in England and Wales respectively. This is a subject that means a lot to me and to many of my constituents in Stratford-on-Avon. I stood up and promised the people of Stratford-on-Avon that I would not add to the legislative burden that they already face and that I would take away from it. I promised that if I had the chance, I would introduce this Bill.

Unlike our neighbours in Scotland, Northern Ireland and the Republic of Ireland, England and Wales do not currently celebrate our saints' days as bank holidays, which is something that I wish to change. It is quite right that in 2011 there should be a special one-off bank holiday to celebrate the royal wedding, but from 2012 onwards, the royal wedding bank holiday should be replaced by bank holidays that celebrate our two countries' patron saints.

We all know St George as the famous dragon slayer whose bravery freed a town from the tyranny of a vicious dragon and eventually led the townsfolk to Christianity. I have to point out, however, that St George was an immigrant to this country. St George is widely believed to have been born in Turkey and served in the Roman army before being taken into English hearts. My hon. Friend the Father of the House, who is an expert on that region, tells me that he may even have been of Kurdish origin—I speculate further that his skin may have been my shade of tan. St David is remembered not only for his miracles and for his close affinity to nature, but as a great unifying force for Christianity and for Wales. Both saints had a huge impact on the culture of their respective countries. What they stood for is just as relevant today as it was way back then.

We all know our patron saints, but why is it important to celebrate them? The best answer is simple: it is through national days that we can celebrate what makes our nation so great. On such days, we can be yet more proud of the best aspects of English and Welsh culture and society, such as our history of tolerance, acceptance and scientific innovation, and the huge impact that we have had on the history of the world. There is so much to be proud of in our past and so much that our children can learn from, both in our successes and our mistakes.

In recent years, I have been saddened to see the symbols of our patriotism hijacked by the fringe right-wing of our country. Today, this House can go a long way towards reclaiming them. We can ensure that all who live in Britain, whatever their background, can join together and celebrate all that makes Britain great. I am a firm believer in the supreme value of our culture and history, and we should never let anyone tell us not to celebrate them.

I will now put to bed the one argument against such a change, which I have heard time and again, that an extra bank holiday would be bad for our economy. As a business man and entrepreneur who has built strong and enduring businesses, I reject the idea that one extra bank holiday will affect productivity. The working people of this country will do the work that they need to do regardless of a new bank holiday. We must remember that the whole concept of work has changed. Work is no longer just about turning up at a particular place at a particular time and then leaving at a fixed time. One beneficiary of the proposal would be small shops and businesses in our town centres, which would benefit from extra custom during the holiday. Our local pubs will undoubtedly attract many people who wish to toast St George or St David. Through the creation of special events for those days, our leisure and tourism industries will do well.

To further put the proposal in context, we should consider the relatively few bank holidays that we receive compared with our European and North American neighbours. We are 16th in Europe with only eight bank holidays, whereas France has 11, Sweden has 11 and Germany has 12. Even our notoriously hard-working American friends have 13 bank holidays a year, although I accept that they take less vacation time overall.

Interestingly, and by a strange coincidence, YouGov recently commissioned a survey into the British public's attitude on this issue. It discovered strong public support for an increase in the number of bank holidays. More than two thirds of adults—68%—think that it would be appropriate for Great Britain to have at least nine days of public holiday a year. Of the calendar occasions that are candidates for the extra bank holiday, YouGov found that St George's day is the most popular with 22% of support. That is just ahead of Remembrance day on 21%, which is the other clear favourite. The battle of Trafalgar and the summer solstice came third and fourth respectively.

I am delighted that the Prime Minister heard my call for the flag of St George to be flown over Downing street in the summer. It is high time that the flag was taken back from those groups that are not worthy of it. Today could be a huge step in the right direction. If passed, the Bill could be of real benefit to social cohesion in England and Wales, and I hope that colleagues will join me in supporting it and making it a reality. It would be a very fine wedding present to both nations. I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Nadhim Zahawi, Claire Perry, Nick Boles, Keith Vaz, Brandon Lewis, Andrew Rosindell, Jonathan Edwards, Simon Hughes, Sajid Javid, Mr Robert Buckland, Mr Brian Binley and Robert Halfon present the Bill.

Nadhim Zahawi accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 13 May and to be printed (Bill 128).

Point of Order

12.41 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. Yesterday, as noted at column 814 of the *Official Report*, the hon. Member for East Dunbartonshire (Jo Swinson)—I have notified her that I would raise the matter today—effectively said that I had misled the House in the previous Parliament on whether the Americans would be able to maintain cluster munitions on British territory, for instance in Diego Garcia. The Foreign Secretary wisely said that he had no evidence that the House had been misled, but that he had not been able to see the papers of the previous Government. For the complete avoidance of doubt, may I make it clear that it was our complete intention that there would be no American cluster munitions on British territories anywhere in the world? Can you advise me of how I can put that on the record?

Mr Speaker: The answer is that the hon. Gentleman has just done so, as he well knows.

Loans to Ireland Bill (Allocation of Time)

Mr Speaker: The amendment has not been selected, but there will be an opportunity for a debate, and if necessary a vote, on the main motion.

12.42 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I beg to move,

That the following provisions shall apply to the proceedings on the Loans to Ireland Bill:

Timetable

1. (1) Proceedings on Second Reading, in Committee, on consideration and on Third Reading shall be completed at today's sitting in accordance with the following provisions of this paragraph.

(2) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion three and a half hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings in Committee, on consideration and on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption or six hours after the commencement of proceedings on the Motion for this Order, whichever is the later.

Timing of proceedings and Questions to be put

2. When the Bill has been read a second time

(a) it shall (despite Standing Order No. 63 (Committal of bills not subject to a programme order)) stand committed to a Committee of the whole House without any Question being put;

(b) proceedings on the Bill shall stand postponed while the Question is put, in accordance with paragraph (1) of Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills), on any financial resolution relating to the Bill;

(c) on the conclusion of proceedings on any financial resolution relating to the Bill, proceedings on the Bill shall be resumed and the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

3. (1) On the conclusion of proceedings in Committee, the Chair shall report the Bill to the House without putting any Question.

(2) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1, the Speaker or Chair shall forthwith put the following Questions (but no others)

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion so made for a new Clause or a new Schedule, the Chair or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

6. If two or more Questions would fall to be put under paragraph 4(c) on successive amendments moved or Motions made by a Minister of the Crown, the Chair shall instead put a single question in relation to those amendments or Motions.

7. If two or more Questions would fall to be put under paragraph 4(d) in relation to successive provisions of the Bill, the Chair shall instead put a single question in relation to those provisions.

Miscellaneous

8. Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply so far as necessary for the purposes of this Order.

9. (1) The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

10. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

11. (1) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken or to re-commit the Bill.

(2) The Question on any such Motion shall be put forthwith.

12. (1) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(2) The Question on any such Motion shall be put forthwith.

13. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (Emergency debates) at today's sitting before the conclusion of any proceedings to which this Order applies.

14. (1) Sub-paragraph (2) applies if the House is adjourned, or the sitting is suspended, before the conclusion of any proceedings to which this Order applies.

(2) No notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

15. Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

16. (1) Any private business which has been set down for consideration at 4 pm at today's sitting shall, instead of being considered as provided by Standing Orders, be considered at the conclusion of the proceedings on the Bill today.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to the private business for a period of three hours from the conclusion of the proceedings on the Bill or, if those proceedings are concluded before the moment of interruption, for a period equal to the time elapsing between 4 pm and the conclusion of those proceedings.

I do not wish to detain the House too long in moving the motion. It seeks the approval of the House to consider all stages of this important Bill in a single day. With the co-operation of the House, the Bill will make a major contribution to the United Kingdom's declared international commitments.

Why do we need to expedite the Bill? The loan to Ireland is novel and large, and the Bill is needed to give the Treasury the necessary authority to advance funds to Ireland. The loan agreement will require the Government to obtain all necessary authorisations before the first draw-down on the loan can be made. The international package is to be discussed at the International Monetary Fund tomorrow, and it is important that the Government, the IMF and the other lenders can be sure that legislation will be passed so that they can assess the adequacy of the total support package, hence the desire to proceed as quickly as possible today. Passing the Bill will also provide certainty to financial markets that the UK's funding package will be in place. It is in no one's interest to create further instability.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I do not think that anybody wants to waste time on the timetable motion unless necessary, but if my hon. Friend were to provide an assurance that the Bill can and will be used only for a single bilateral loan to Ireland, and that it will not be used for any other purpose, that might help it on its way.

Mr Hoban: I do not wish to pre-empt the remarks that my right hon. Friend the Chancellor of the Exchequer will make on Second Reading, but I can provide that assurance to my hon. Friend.

The Bill is needed to provide statutory authority for the Treasury to pay out the funds involved. Any loan agreement is contingent on obtaining that necessary authority. In improving the overall package of financial assistance to Ireland, our international partners need to be sure that the UK will have the necessary legislation in place to allow it to fulfil its part.

Lady Hermon (North Down) (Ind): Will the Minister clarify one point that confuses me? The Bill is entitled the Loans to Ireland Bill, but the explanatory notes, which I know are not binding, keep referring to, and imply that there is, a single loan. How many loans will there be to Ireland? Is there a limit?

Mr Hoban: As my right hon. Friend the Chancellor will say in his speech, the loan will be disbursed in eight tranches, if called on by the Irish Government. That is the reason why the title is in the plural rather than in the singular.

Chris Bryant (Rhondda) (Lab) *rose*

Mr Hoban: I was drawing my remarks to a close, because I am very conscious that every minute I spend at the Dispatch Box in this debate means a minute less on Second Reading, but I shall take one final intervention.

Chris Bryant: I, too, do not want overly to delay the House, but we are using an emergency procedure on a Bill that will not go through the same processes as other Bills. It is therefore all the more important that we ensure that we rarely use such a procedure. Will the Minister ensure that the Government do not use this procedure on future occasions, if similar arrangements have to be made for other countries?

Mr Hoban: It is important that there is proper parliamentary scrutiny of measures such as this. That is why we sought to agree the timetable through the usual channels, and to ensure that there is time to debate amendments and that the Bill goes through the normal process of scrutiny. Given that the Bill is shorter, it can be scrutinised in a shorter period of time without compromising scrutiny. That is why I believe that we can deal with it today. I urge the House to support the programme motion.

12.46 pm

Mr Peter Bone (Wellingborough) (Con): I have a lot of respect for the Minister; he is one of the most able in the House. [Hon. Members: " Hear, hear."] However, it was not his best speech.

The hon. Member for Rhondda (Chris Bryant) made a point about emergency measures, but the Minister did not call the Bill an emergency measure—he just said that it is an important Bill and that it be would rather nice to get it through quickly. It is absolutely true that the Bill is not an emergency measure and there is no such urgency for it. However, it is not the duty of the

[Mr Peter Bone]

House to say to the Executive, "It will be jolly nice to get the Bill through quickly." We are here to scrutinise the Bill. It matters not what team Back Benchers are on: they are here to hold the Government to account. I said that as an Opposition Member and I shall say it as a Government Member. The Minister remarked that the longer he spoke, the more he would eat into time on Second Reading, but the Government designed the allocation of time motion in that way. When we were in opposition, we said that that such remarks were appalling, and they are also appalling in government.

This motion contains one of the most draconian guillotines we have ever seen in Parliament. It contains 16 separate restrictions on debate, it is longer and has more words than the Bill itself, and it is designed purely to restrict debate and to remove the right to vote on amendments in Committee. I am afraid that it is as bad as those we used to see under the previous Government. It is rubber-stamping at its finest. The motion proposes to rush through legislation at a speed that would win approval in North Korea and to take Parliament for granted.

This is not my first time scrutinising a Government who are trying to rush a Bill through Parliament. Coincidentally, the circumstances of a debate on a Northern Ireland Bill on 4 March 2009 were very much the same, in so far as the Government tried to rush through a Bill in one day when, as now, it was not necessary to do so. Therefore, I feel that we have come full circle. Here we are with a different Government—a coalition Government—who are trying to rush through another Bill.

As a trained chartered accountant, I am rather partial to my numbers. Therefore, I would like to read out a few. Three and a half hours is the amount of time that Parliament is being given for the Second Reading debate of the Bill; £3.25 billion is the minimum amount that the Bill proposes to give the Republic of Ireland; and zero is the probable chance that the House of Lords will be able to scrutinise it, because it will most likely be certified as a money Bill. Let me expand on those three figures. Three and a half hours for Parliament to debate a Bill on Second Reading—actually, I should have said that three and a half hours is the maximum time that we are being given, because the time starts from the moment that the allocation of time debate starts. If the allocation of time debate runs its full course and there is a Division, the time for a Second Reading debate on a Bill that proposes spending £3.25 billion will be a maximum of 15 minutes. The Chancellor will not have cleared his throat in 15 minutes. In other words, we will be spending £216 million a minute during that debate.

One could argue that none of these things matters—we saw it all the time in the previous Parliament—because we have the backstop of the other place, which cannot limit debates, and Members can scrutinise the Bill clause by clause and vote on amendments. Unfortunately, that is not the case with this Bill: because it will be certified as a money Bill, there will be limited time for debate in the other place. We therefore do not have the backstop, so it is up to this House to scrutinise the Bill properly. This is a most draconian guillotine motion and is entirely unnecessary, and I intend to try to divide the House on this most important matter. Whether one is for or against the principle of the Bill—or, indeed, whether one is indifferent to it—we as parliamentarians must demand proper time for debate.

It is important to set out the reasons why all stages of the Loans to Ireland Bill should not take place on one day. Let us consider the circumstances under which the Government can legitimately push their legislation through all its stages in one day. I understand that in national emergencies, such as those relating to terrorism, the swift progression of a Bill through Parliament is needed. However, the Loans to Ireland Bill is not one of those Bills. Since 1997, only a handful of Bills have been pushed through the Commons in one day alone. The last one was the Northern Ireland Bill in 2009, which I referred to a few moments ago, but let us look at the typical Bill that has gone through in one day and the precedents that this motion creates.

On 4 April 2001, the Elections Bill went through all its stages in one day, owing to the national crisis caused by the foot and mouth epidemic. Clearly that is not a reason for the Loans to Ireland Bill to go through in one day. On 2 September 1998, Parliament was recalled from its summer recess to pass all stages of the Criminal Justice (Terrorism and Conspiracy) Bill, as an urgent response to the terrible Omagh bombing. Again, that does not apply to today's Bill. On 19 February 2008, the Banking (Special Provisions) Bill was passed in relation to Northern Rock, and therefore needed to be rushed through the Commons. The House sat until midnight on that day, which I understand was because of market sensitivity. Again, that does not apply to today's Bill. None of those exceptional circumstances applies to the Loans to Ireland Bill. If this guillotine motion goes through, the Government will have set a dangerous precedent for curtailing debate and excluding proper parliamentary scrutiny on controversial issues.

Jim McGovern (Dundee West) (Lab): I was intrigued to hear the hon. Member for Harwich and North Essex (Mr Jenkin) say in his intervention on the Minister that we should not waste any more time on the motion than is necessary. Does the hon. Gentleman agree with his hon. Friend, and is he as intrigued as I am to know under what circumstances time wasting would indeed be necessary?

Mr Bone: This Government have put us in a Catch-22 situation, which the previous Government used to put us in too: time for debating guillotine motions is taken out of time on Second Reading. That never used to happen; it was something that the previous Government got into the habit of doing. That means that all these people on the Government Benches want me to shut up, so that we can get on with Second Reading. [HON. MEMBERS: "Hear, hear."] Well, my colleagues behind me are going to be disappointed. The newer Members of this Parliament are going to learn—I know that they are keen on this, because they want parliamentary scrutiny, not rubber-stamping—that there is a simple way for all my colleagues on the Government Benches and for Opposition Members to get into the debate, which is to defeat the guillotine motion in a vote.

Mark Reckless (Rochester and Strood) (Con): We may have heard one or two "Hear, hears", and I am certainly someone who wants to speak on Second Reading.

but let me make clear my appreciation for what my hon. Friend is doing. Any responsibility for the curtailment of time for Back Benchers should rest squarely where it belongs, which is with those on the Treasury Bench.

Mr Bone: I am grateful to my hon. Friend for his support. If we do not get it right today, this coalition Government and future Governments will use the same trick again and again.

What I am doing is not a wrecking manoeuvre; nor is it about stopping the Bill from making progress. All we need to do is defeat the guillotine motion now, and then there will be a full Second Reading debate, followed by the Committee stage and Third Reading. The current situation is an abuse of Parliament and its democracy. Normal rules are being abandoned so that the Government can get things through on the nod. Surely I am not mistaken that the only possible reason for proceeding today would be if the Minister had written a cheque for £3.25 billion last night and handed it to the Irish Government. Then I might be inclined to agree that we should get on with things today. However, the Minister does not seem to be leaping to the Dispatch Box to confirm that.

One argument for pushing the Bill through could be the lack of space in the parliamentary calendar and an inability to spare any more time to debate it, but we all know that that is not true. Even with recess upon us, we could have abandoned the Backbench Business Committee debate tomorrow—Thursday—and had the Committee stage and Third Reading instead. However, if that was not the flavour of the will of the House, we could have used Monday, for which a general debate is listed. If the general debate were abandoned, Government business would not be lost, and the debate could be rescheduled for another time. Alternatively, if there really is an emergency and the Bill really does need to be progressed now, let the House sit this Friday until the business is complete.

Parliament could be allowed a full day on Second Reading, which would occur after the allocation of time motion were defeated, and the Government could then choose Thursday, Friday or Monday for Committee and Third Reading. That would in no way hold up progress; nor could it be interpreted as letting our friends in Europe down. Indeed, the idea that they do not take our word for it that the Government are serious is also, I have to say, not believable. If the Government say that they are going to give £3.25 billion to Ireland in a loan, they know that that is what will happen, so that argument is just an excuse to push the Bill through in one day.

Mark Hendrick (Preston) (Lab/Co-op): Clearly the issue at hand is not whether the Government will give £3.25 billion to Ireland. However, the Minister did not necessarily make it clear in his response to the hon. Member for Harwich and North Essex (Mr Jenkin) whether money would be going just to Ireland, or to Portugal or Spain in future too. Could the hon. Gentleman give us his views on that?

Mr Bone: Mr Speaker, you would rightly tick me off if I answered that question. That is a matter for the Second Reading debate, because it is to do with the issues in the Bill. I am expressing no view on that at the moment. However, unless we have adequate time to discuss those issues, the hon. Gentleman's point might not be clarified.

Lack of parliamentary time cannot be an excuse for this motion. The advantage of splitting the debate over two days is that it would allow a proper debate on Second Reading today. I believe that many Members would like to take part in such a debate. It would also allow amendments to be tabled in the normal way, and enable us to have a proper debate in Committee, with time for a debate and votes on each of the amendments. There would also be time for a Third Reading debate.

I understand that the Government have tabled a manuscript amendment today, although I have not seen it. That amendment has been tabled without allowing Members the time to consider it. That just shows the weakness of this procedure. If the allocation of time motion were defeated, we would have a full Second Reading debate and the Government would have to rearrange their business to provide for the Committee stage and Third Reading. The loan would still go through, but the Bill would have been properly debated and, if necessary, amended. Defeating the allocation of time motion would not wreck the Bill; it would simply give more time for proper scrutiny so that the Bill could be improved. We have already seen that the Government have tabled a manuscript amendment. What will happen if, during the 15 minutes of the Second Reading debate, a Member decides that they want to table an amendment? They just will not have time to do it.

How does the motion fit in with the principles behind parliamentary sittings? The present timetabling of our sittings is broadly based on the Jopling reforms and encompasses three principles. It is against those three principles that we should judge the Bill today. The first is that the Government must be able to get their business through, and, within that principle, ultimately control the time of the House. Secondly, the Opposition must have the opportunity to scrutinise the actions of the Government and to improve or oppose legislation as they think fit. Thirdly—this is of more interest to me—Back-Bench Members on both sides of the Chamber should have reasonable opportunities to raise matters of concern from their constituents. A number of my constituents have contacted me with concerns about this Bill.

A major role of Members of Parliament is to scrutinise and review legislation. It is a well-known fact—I doubt that anyone in the House would disagree with this—that the better the scrutiny, the better the Bill. It is also a major role of Members of Parliament who are not members of the Executive to hold the Executive to account, whichever party or parties make up that Executive. That is one of the most important roles we have as Members of Parliament. This motion removes that role. It is appalling that the coalition Government should try to stifle that essential function. I have long campaigned for more transparency and debate in Parliament. I strongly believe in strengthening the role of the Back Bencher. The erosion of parliamentary power to scrutinise legislation has been a long-adopted approach by successive Governments. This motion, I am afraid, is a step too far. Individual Members of Parliament attach a great deal of importance to scrutiny and accountability, and problems arise when the Executive try to deny us that right.

The Government have declared that amendments must be tabled before Second Reading, which is ludicrous. They ask MPs to table amendments before we have had

[Mr Bone]

a chance to hear what the Minister has to say. How can MPs properly table amendments when they have not heard the details and the arguments? Despite that difficulty, 11 amendments have already been tabled. The Government were forced to produce a three-page document—I have it with me—of amendments, and another five-page document on their justification for rushing the Bill through. These documents were produced only in the last few days. How can they, and the amendments, realistically be scrutinised if the Bill goes through all its stages today? It is just not possible.

The House of Lords got rather fed up with the Commons bouncing it, so it has now come up with a procedure whereby the Government have to answer a number of questions—I think it is eight—before they can get a Bill such as this through. Those questions are printed in the explanatory notes to the Bill. Let us look at some of them for a minute, and see whether the answers hold up to scrutiny.

The first question is: "Why is fast-tracking necessary?" The notes go on to explain that the proposal is for a bilateral loan, and that the timing of the UK's proposed loan is currently unclear. They state:

"It is necessary to fast-track the Bill so that the UK's international partners can be confident that the bilateral loan will be implemented."

That is an absolutely hopeless answer to the question. It does not tell us why the Bill is being fast-tracked. It is ridiculous to suggest that our international partners would think that, because we had not taken another day or two to debate the Bill, the Government were not going to proceed with the loan.

The next question is:

"What is the justification for fast-tracking each element of the Bill?".

Again, there does not seem to be an answer. The notes state:

"The Bill is a short Bill, with few substantive provisions other than to provide for sums required by the Treasury".

Yes, the Bill is short because many of the provisions deal with statutory instruments and affirmative resolutions. It is an important Bill, but it is short because many of the provisions do not go into detail. That is exactly why we need a proper Second Reading debate. I do not think that the Government have answered that question either.

The next question is a good one:

"What efforts have been made to ensure the amount of time made available for parliamentary scrutiny has been maximised?"

The answer is:

"The Bill is being published on the same day it is introduced and arrangements are being made for amendments to be accepted in advance of second reading in the House of Commons."

How on earth does that answer the question about making time available for parliamentary scrutiny? It is like the Prime Minister being asked a question at Prime Minister's questions and giving an answer to a completely different one. It might be a good answer, but it is not the answer to the question that was asked.

The next thing that the Lords want to know is this:

"To what extent have interested parties and outside groups been given an opportunity to influence the policy proposal?"

The answer talks about our European Union colleagues, but the key is in the last sentence, which states that

"there has been limited opportunity to give interested parties and outside groups an opportunity to influence."

By the Government's own admission, they have failed in regard to that question.

The next question asks whether the Bill includes a sunset clause. The Government can argue, with some justification, that it does, because it stipulates a period of five years. It does not tell us when the loans are to be repaid, but it places a five-year limit on the period in which they can be made. That is not what is normally understood by a sunset clause, however. Sunset clauses normally stipulate that in, say, a year's time, Parliament will look again at the legislation to see whether it is correct.

The next question is:

"Are mechanisms for effective post legislative scrutiny and review in place? If not, why do the Government judge that their inclusion is not appropriate?"

The answer states:

"The Bill provides for regular reports".

On that one, I will give the Government a tick. So far, they have passed one of the six tests. The next question is:

"Has an assessment been made as to whether existing legislation is sufficient to deal with any or all the issues in question?"

The Government do not really answer that one. They say:

"Statutory authority for such expenditure is required in accordance with the Concordat of 1932 between the Government and the Public Accounts Committee."

I am unclear as to what that means, but it does not seem to answer the question that has been asked. The final question is:

"Has the relevant Parliamentary committees been given to opportunity to scrutinise the legislation?"

The explanatory notes were drawn up in such haste that the spelling of the question was incorrect, but the simple answer to it, as I hope my hon. Friend the Member for Stone (Mr Cash) might confirm, is that no such scrutiny has taken place.

In concluding my opening remarks, I want to say a few words about what I think is wrong. Let me state to the House how this mother of Parliaments should work in relation to timings of debates. The driving principle of reform should be the redistribution of power—from the powerful to the powerless. That means boosting Parliament's power to hold the Government of the day to account. The House of Commons' historic functions were to vote money for Governments to spend, and to scrutinise laws. It now barely bothers with the first, and does the second extremely badly. There was a time when legislation that had been formulated after months of civil service and ministerial deliberation was sent to the House of Commons which would pore over it, shape it and send it back, get it back, look at it again and improve it some more—Bill by Bill, clause by clause, line by line. Every piece of legislation would be put under intense scrutiny. Is it legally sound? Will it be effective? Is it worth the cost?

Let us compare that with today. Let me take Members on the journey of a piece of legislation as it passes through the modern House of Commons. It is likely to have been dreamt up on the sofa of No. 10. A Bill is drafted and it is sent to the House for a couple of hours of routine debate among a few MPs. Then the bells ring, the whips are cracked and suddenly, out of nowhere, all the Members turn up to vote. More often than not, they do not even know what they are voting for. The Bill

limps through. Then it goes into Committee. The Committee's duty is to look at the detail clause by clause, but it is packed full of people that the Whips have put there. So, surprise, surprise, the Government rarely lose a vote on any of the individual points of detailed scrutiny. Then it is back to the House to do it all again—debate, bell and then vote to wave the legislation through.

Every Bill now has a programme motion setting out how much time can be spent scrutinising and debating each part. There are automatic guillotines, and the time allowed for scrutiny is set in advance, before anyone can see whether or not a particular issue is contentious or complex. Watching a Minister in the Commons drawing out one point for an hour to fill the time, to an audience of dozing Back Benchers—that is not accountability. How can the mother of all Parliaments turn itself into such a pliant child?

Unfortunately, I cannot claim credit for that last section of my speech. It was in fact from a speech on fixing broken promises delivered on 26 May 2009 by my right hon. Friend the Member for Witney (Mr Cameron). I do not think that Ministers on the Front Bench today want to upset the Prime Minister. So they have an opportunity, before the conclusion of the debate, to say that they will withdraw the allocation of time motion, and that we will have proper debate.

For many years I have sat on the Back Benches imploring others to give more time for Parliament to scrutinise legislation. I believe that to be the fundamental role, not only of the Back Bencher, but of Parliament itself.

Steve Baker (Wycombe) (Con): I am most grateful to my hon. Friend for giving me the opportunity to say just how much I stand behind the Prime Minister in his remarks, which my hon. Friend has so generously shared with the House. However, does my hon. Friend agree that if this bail-out is necessary at all, it is an emergency?

Mr Bone: My hon. Friend is tempting me to enter the debate, which I am not going to do, and as time is short, I shall conclude my remarks.

Time is all we have as Back Benchers, and if that is taken away from us, so is power. I urge all parliamentarians in the House to vote against the guillotine motion.

1.14 pm

Mr Nigel Dodds (Belfast North) (DUP): I shall be brief. I want to commend the hon. Member for Wellingborough (Mr Bone) for his absolute consistency. The speech that he has just delivered is one that he would have delivered, and perhaps did deliver—certainly the gist of it—many times when he sat on the Opposition Benches. The points that he raises are extremely important in the general context of how Parliament operates.

I do not want to say a great deal about the Bill because we shall come to Second Reading shortly, but I will say this. We are used to having Northern Ireland business rushed through—sometimes for good reasons, sometimes for not so good reasons. I have had various discussions with the Secretary of State for Northern Ireland and others relating to important matters that we believe require legislation, not least an issue that was extremely important during the run-up to the general election—the fact that Members of this House who do not take their seats continue to claim lots of money for parliamentary purposes—and we were told that time would be made available to debate that, and for the House to have its say. We were also told that legislation on the issue of dual mandates would appear. Yet I am now told that the Government cannot do any of that because "there isn't any time".

The only point that I want to raise is this. The hon. Member for Wellingborough has spoken at great length, but the bottom line is that the Government will do what they will. The notion that "there isn't any time" to do the necessary things and important things that have been laid out by the Government in relation to Northern Ireland is simply not tenable, given the fact that here we are today, setting time aside to rush through all stages of a Bill—I will not get into the merits of it; we will come to those—in one day. I say to the Government, especially the senior Members on the Treasury Bench, that they should reflect on the fact that we are being told that other important things cannot be done. It is clear that they can be done and should be done, and I urge the Government to take action as soon as possible.

1.16 pm

Mr Christopher Chope (Christchurch) (Con): There is one element of the guillotine motion that I particularly resent. That is the provision that if a group of amendments is being discussed when the guillotine falls, it will not be possible to vote on any more than the question that was before the House at that time, whereas under a traditional programme motion it would be possible, with the leave of the Chair, to vote on more than one of the amendments in the group.

My hon. Friend the Financial Secretary to the Treasury says he thinks it is reasonable that we should have the opportunity to give the Bill proper scrutiny. In my submission, scrutiny includes having the opportunity to test the view of the House on amendments before it. My concern is that if all the amendments are grouped together, and if the debate on that group carries on until the guillotine falls, it will only be possible to vote on one narrow amendment—amendment 3—although of course the guillotine motion allows the Government amendment to be voted on as well, because those are the biased terms in which the motion has been drafted.

The Bill is a very significant measure. I have had letters from constituents asking, "How is it that we can afford to lend £3.25 billion to Ireland when the Government are saying that they cannot do anything to make more money go to small businesses that are crying out for loans?" That is the sort of question that our constituents are asking, and I would have hoped that the Government would be more co-operative with the House by providing a bit more detail in the Bill.

We have heard that the Chancellor will be telling us in due course about the terms of the loan, the interest rate and the repayment schedule. Why could not those details have been included on the face of the Bill, to enable us to make an assessment and decide whether to table amendments? If the Government are really saying, "This is so desperately urgent that we need to do it straight away," why were they not prepared to co-operate with the House a bit more and give us the maximum amount of information to enable us to deal with it in a constructive way today?

[Mr Christopher Chope]

I am very concerned, and my hon. Friend the Member for Wellingborough (Mr Bone) has articulated the wider constitutional implications. We know that the other place was very concerned about the fact that the Government were taking forward a lot of emergency measures without giving the opportunity for proper debate and consideration—and that applied not just to money Bills but to other Bills too. This is a money Bill, so it will not be possible for the other place to consider it in detail. That responsibility falls fairly and squarely on this House.

We got a guarantee from the Government that if there was going to be fast-tracking or emergency legislation, the justification for it would be set out in the explanatory notes. I do not think the justification given in these explanatory notes is a justification for what the Government are trying to do today.

If this Bill were to be considered tomorrow or on Monday, we would have more time to debate it. Incidentally, we would also be able to consider what the Members of the Irish Parliament are saying on this very subject in their House today. If, for example, many of them were to say that they would not wish to repay the loan given to them by the United Kingdom, I would have thought that would be a very material consideration in our debate on the matter, but this motion denies us the opportunity to consider the implications of what transpires today in the Irish Parliament. I suspect that is not an accident; I suspect it is by design. That is why I will vote against this guillotine motion.

1.21 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I wanted to intervene on my hon. Friend the Financial Secretary to ask for a further assurance. I am minded to support my hon. Friend the Member for Wellingborough (Mr Bone) by voting against this motion in the Lobby if there is a Division. However, I might refrain from doing so if my hon. Friend the Financial Secretary were to rise to his feet and assure me that the measures in the Bill could not be used to lend to Ireland through another international institution, such as the European Union. I would be grateful for that assurance.

Mr Speaker: No further Members are standing to show that they wish to speak.

Question put.

The House divided: Ayes 293, Noes 22.

Division No. 158] **[1.21 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Chishti, Rehman
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hopkins, Kris
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
May, rh Mrs Theresa
Maynard, Paul

McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and
Miss Chloe Smith

NOES

Campbell, Mr Gregory
Carswell, Mr Douglas
Cash, Mr William
Chope, Mr Christopher
Clappison, Mr James
Davies, Philip
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Durkan, Mark
Hermon, Lady
Jenkin, Mr Bernard
Main, Mrs Anne
McCrea, Dr William
Nuttall, Mr David
Parish, Neil
Reckless, Mark
Shannon, Jim
Simpson, David
Skinner, Mr Dennis
Stuart, Mr Graham
Turner, Mr Andrew
Wood, Mike

Tellers for the Noes:
Mr Peter Bone and
Mr Philip Hollobone

Question accordingly agreed to.

Loans to Ireland Bill

[Relevant document: The uncorrected oral evidence taken before the Treasury Committee on Wednesday 8 December 2010, on Autumn Forecast, HC 664-ii.]

Second Reading

1.34 pm

The Chancellor of the Exchequer (Mr George Osborne): I beg to move, That the Bill be now read a Second time.

Two weeks ago I told the House that it was my intention to ask for authority to make a bilateral loan to Ireland as part of the multinational assistance programme for that country. I said that I judged it to be in our national interest, given our country's close economic, financial and political connections to the Irish Republic, to be ready to help, and I want to thank all parts of this House for agreeing with that judgment.

Let me directly address the question of why we are taking this legislation through today, and why we are seeking to do it rapidly. The reason is that this week we expect the International Monetary Fund board to meet and agree the assistance package, the eurozone to sign off on its contribution, and the Irish Parliament to accept the international help that is offered. Let me say this to hon. Members in reference to the previous debate. I actually have the authority to make, under common law, a loan to Ireland and to seek at a much later date retrospective authority from Parliament. I decided — *[Interruption.]* Let me say that I decided that that was a wholly inappropriate thing to do, and that I should come to Parliament to seek its authority before signing the loan agreement. The loan agreement may be signed at any moment.

Mr Peter Bone: (Wellingborough) (Con): I am grateful to the Chancellor for giving way, but has he not let the cat out of the bag? He has just said that there is no urgency, because he had the power to do this anyway. If that had been said in the previous debate, the result of the vote might been different.

Mr Osborne: From what I could tell from what my hon. Friend was saying in the previous debate, he thought it important to have parliamentary scrutiny. It is true that I could have issued the loan under the common-law powers available to me, and come back at a later point to seek parliamentary approval. I thought the House would prefer me to seek parliamentary approval first, before making the loan — but there we go; you can't please everyone.

Mr Douglas Carswell (Clacton) (Con): The Chancellor suggested that it is at his discretion that he has brought forward this Bill. Is it not the case that the 1932 convention requires him to do so — and does not that, rather than his discretion, explain why this legislation is before the House?

Nadhim Zahawi (Stratford-on-Avon) (Con) *rose*—

Mr Speaker: Order. We cannot have an intervention on an intervention. We will hear from the Chancellor.

Mr Osborne: Let me take the other intervention and I will answer both.

Mr Speaker: Indeed.

Nadhim Zahawi: I thank my right hon. Friend for giving way. Setting aside the technicalities of why we are debating this measure and how long we shall do so, and getting down to the substantive issue of the loan, can the Chancellor share with the House what the fees and the interest to the UK Government will be over the period of the loan if the Irish Government draw down the whole of the loan?

Mr Osborne: The second intervention draws me back into the rest of my speech, but in response to my hon. Friend the Member for Clacton (Mr Carswell), I have common-law powers to issue the loan and sign the loan agreement. I then have to seek statutory authority, but that could be done retrospectively. I thought it more appropriate to seek parliamentary approval first, and that was a discretionary choice that I had.

I will answer my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) directly a bit later in my remarks, when I get on to the terms of the loan that we are going to consider.

Mr Christopher Chope (Christchurch) (Con): Will my right hon. Friend give way on that point?

Mr Osborne: I will give way to my hon. Friend, and then I really must make some progress.

Mr Chope: I am grateful to my right hon. Friend. If the point that he is making is such a good one — it may well be — why did he not include it in paragraph 14 of the explanatory notes, making a virtue of the fact that he was bringing this matter before the House now rather than seeking retrospective approval?

Mr Osborne: I said in an earlier statement to the House that I was seeking to do that, and I had hoped that hon. Members were paying attention to what I said at the time.

The legislation that we shall pass today will allow the UK to be ready in the new year to meet its commitments to one of our closest international partners. As has been noted, the legislation before the House is narrow in scope — it is explicitly a Loans to Ireland Bill — but it is still enabling legislation. It sits alongside the actual loan agreement, which sets out in detail what we will offer Ireland. To ensure that Members have as much information as possible available to them for today's discussion, a summary of the key terms of the loan agreement, which was agreed with the Irish Government only this morning, has been available in the Vote Office for more than an hour now.

Mr William Cash (Stone) (Con): Will my right hon. Friend give way?

Mr Osborne: If my hon. Friend will allow me, I will make a bit of progress and then of course take some further interventions.

In my remarks today, I intend to address both the substance of the legislation and the loan agreement, but before that let me briefly say something about how we got here. Over the course of this year, it became increasingly clear that the situation in the Irish economy was

unsustainable. Their sovereign debt markets had effectively closed and had little prospect of re-opening. Ireland's market interest rates had risen to record levels, and Irish banks had become almost wholly reliant on central bank funding to maintain their operations, with no obvious prospect that that was going to change. This situation simply could not go on. We had been monitoring the situation for many months and had engaged in confidential discussions with our partners in the G7 and at ECOFIN about possible solutions.

Over the weekend of 20 November, Ireland's Prime Minister made a formal request for international financial assistance. The UK, alongside the International Monetary Fund, the EU, the eurozone and some other member states—Sweden and Denmark—made an agreement in principle to take part in putting together an assistance package for Ireland. Since then, the various interested parties have been working round the clock with the Irish authorities to put together a package. Officials from the British Treasury have been in Dublin in recent days ensuring that our interests and concerns were represented, and I want to thank them for their hard work. At the end of November, Ireland agreed with the IMF and the EU a three-year financial assistance package worth €85 billion.

Mr Cash: The document to which my right hon. Friend just referred is "for information purposes only" and is clearly not intended to be construed as part and parcel of the Bill. So can he explain why in the document the "conditions precedent" to the arrangements interweave the so-called "bilateral loan" with the European financial stability mechanism, and why an attempt is then made to bypass that by referring to the "Governing law" as "English law"?

Mr Osborne: I am going to discuss some of the conditions attached to the loan. The particular condition that my hon. Friend refers to ensures that the UK is protected if other parties to this international agreement change their arrangement with Ireland in some way that materially affects our ability to be repaid. That condition gives us an ability at that point to step in.

Mr Cash: My right hon. Friend is perhaps confirming my concern, which is that the interweaving of the conditions between the so-called "bilateral loan" and the mechanism is such that they are, in effect, inseparable, so European Community law could well apply.

Mr Osborne: I know that my hon. Friend is assiduous on these points, but I think that on this occasion he is not correct. This is simply a fall-back mechanism for us to say that if Ireland in some way renegotiates its loan from the eurozone, from the EU or from the IMF, it is a condition of our loan to Ireland that we can step in at that point and examine our situation. That protects the British taxpayer and has absolutely nothing to do with European law or anything else; it is simply there to make sure that other parties to this international agreement must have due regard to what they are doing, and how that might have an impact on the ability of the British taxpayer to be repaid.

Mr Andrew Love (Edmonton) (Lab/Co-op): Two things are happening in Ireland at the moment. The first is that austerity reigns and the economy is going down on a daily basis. The second is that a whiff of elections is in the air. The right hon. Gentleman talks of renegotiation, but is it not a fact that renegotiation of a new Government in Ireland is very much on the cards?

Mr Osborne: Obviously we are not going to prejudge the outcome of any Irish general election. Of course we—not just us, but the IMF and others—negotiate with the Government of the day. Although the principal Opposition parties in Ireland have concerns about the Irish budget and the like, I understand that they have accepted the principle of international assistance, and the IMF has been in direct contact, and has engaged in discussions with them. The international community, including the UK, is satisfied that we are in a position to make this offer to the Irish Government, which is why I am bringing the Bill to the House today.

As I was saying, Ireland agreed to seek IMF and other support worth €85 billion, and the money will be used as follows: €35 billion will be used to support Ireland's banking sector, with €10 billion going towards immediate bank recapitalisation; and the remaining €50 billion will be used for sovereign debt support. In terms of contributions to the cost of the package, Ireland itself will provide €17.5 billion towards the total. The remaining €67.5 billion will be split, with one third coming from the IMF, one third from the European financial stability mechanism, and one third from the eurozone facility and bilateral loans from the UK, Sweden and Denmark. I have agreed that our contribution should amount to €3.8 billion, or £3.25 billion at today's exchange rate.

This significant package will help Ireland to deal decisively with its problems. It will help it to recapitalise its banks and set up a contingency reserve for future problems. It will also help the Irish authorities to cover the shortfall in their budget, which was passed by the Irish Parliament earlier this month. Their budget will see a fiscal consolidation of €15 billion by 2014, of which €6 billion will be implemented next year, as part of their strategy leading to a target budget deficit of 3% of gross domestic product in four years' time.

Of course people ask why we are extending the loan to Ireland. We are doing so because it is overwhelmingly in our national interest to have a strong Irish economy and a stable banking system. This is not just about the Irish economy and Irish jobs; it is about the British economy and British jobs. A loan does not add to our deficit, and any increase in borrowing is matched, of course, by the commitment of the Irish to repay with interest. The answer to the question asked by my hon. Friend the Member for Stratford-on-Avon earlier is that if Ireland takes out all the loan that is being made available to it and pays it back with the interest that has been forecast, it would pay us £440 million in fees and interest over this period.

Let us remember that Ireland is the fifth largest market for British exporters and accounts for 5% of our total exports abroad. An interesting way for the House to think about it is that every man, woman and child in Ireland spends an average of £3,600 per year on British goods—that is how connected our economies are. Indeed, as has often been pointed out, we export more to Ireland than to Brazil, Russia, India and China put together, although we are trying to increase our exports to those four very large emerging markets. For some of

[Mr George Osborne]

our industrial sectors, such as food and drink or clothing and footwear. Ireland is our top export market. Ireland is also the only country with which we share a land border, and in Northern Ireland our economies are particularly linked, with two-fifths of exports going to the Republic.

I wish to reassure Members representing Northern Ireland that I am very aware of their constituents' worries and the difficulty they face as a result of the problems in Ireland. That is why my hon. Friend the Financial Secretary recently visited Belfast to discuss these issues directly. I am open to any discussions that Members from Northern Ireland wish to have with me or the Treasury about the economic situation and indeed the banking situation in Northern Ireland. Just as our two economies are linked, our businesses and banking sectors are also interconnected. More Irish companies are listed on London exchanges than companies from any other foreign country. The two main Irish-owned banks have an important presence in the UK, holding between them about £30 billion of customer deposits. In Northern Ireland, two of the four largest high street banks are Irish-owned, accounting for almost a quarter of personal accounts.

Mrs Anne Main (St Albans) (Con): My right hon. Friend has stressed the importance of the export market and our strong links with Ireland. So why did he find it necessary for paragraph 6(h), under the heading "Events of default", in the summary document to set out that

"the Borrower not being or ceasing to be a member of the European Union"

would constitute a default? I would hope that we would support Ireland if we chose to do so, and not bind it into necessarily having to stay in the European Union, given the length and operation of the loan.

Mr Osborne: It is merely an observation that the fact that Ireland is a member of the European Union is not why we are making this loan; it has nothing to do with that. It has to do with the fact that Ireland is deeply connected to us. Indeed, we have just made a loan agreement with Iceland, which of course is not a member of the European Union, in order to seek to recover moneys that were spent on savers in Icelandic banks here in the UK.

Mr John Redwood (Wokingham) (Con): As this crisis was triggered by the withdrawal of European Central Bank support for Irish banks, will the Chancellor give us an assurance that we will not be involved in any further refinancing of ECB liabilities should it do the same to another country?

Mr Osborne: I had a very specific choice. I had the opportunity—of course, I would have had to seek the authority of the House—to introduce a general Bill to allow me to make bilateral loans to any number of countries. That legislation would have been very easy to draw up, and it would have been easy to ask the House for its support. I have explicitly restricted this to a Loans to Ireland Bill because of the specific connections between our two economies.

Stewart Hosie (Dundee East) (SNP): May I confirm what the Chancellor has just said? The UK contribution to the entire package will be about 5% of the non-Irish contribution—about £3.5 billion—and that stands in comparison with some £12 billion of exports to Ireland, and, as he said, the Irish banks holding some quarter of the deposits in Northern Ireland. Is that the broad summary of where we are?

Mr Osborne: It is a reasonable summary. Of course we stand behind the International Monetary Fund as a shareholder of it, as are most countries in the world. I shall come on to the European financial stability mechanism, which I have already talked to the House about on a number of occasions. Like other contributors to the EU budget, we stand behind it. In a sense, the loan that we are proposing today is the direct British taxpayer contribution—or rather, the money that is borrowed on behalf of the British taxpayer. I shall come to the terms of the loan, but of course we expect to be repaid, and repaid with interest. We are doing this because we think it is absolutely in our national interest, for some of the reasons that have been set out.

Charlie Elphicke (Dover) (Con): On that point, may I welcome the fact that the Bill is before the House today and that approval is being sought before the loan is made? Will my right hon. Friend explain how we came to be part of the European financial stability mechanism, what approval the House gave to it and what level of debates there were about it?

Mr Osborne: As I explained to the House previously—my predecessor, the right hon. Member for Edinburgh South West (Mr Darling) is here, and might at some point want to give his own version of events—my understanding is that in the period between the general election and the formation of the Government, an emergency ECOFIN meeting was held to address the Greek situation and to provide confidence that the European Union and the eurozone stood behind other member states that were potentially in difficulty.

My predecessor ensured that we stayed out of the eurozone facility—I have acknowledged that in the House—but acquiesced in the use of article 122 of the treaty, which allowed the European Union to disburse funds when a natural disaster, such as an extreme weather event, was affecting a member state, to create a mechanism that could stand behind countries that got into difficulties. The decision on the use of that mechanism is taken by qualified majority voting, so although we could vote against its use in this situation, I did not think that that would achieve anything. I am focused, in a way that I shall describe, on trying to extricate the UK from the EU-27 mechanisms that stand behind eurozone countries. If hon. Members will bear with me, I shall talk about that later, and if people want to intervene at that point, that would be more sensible.

Let me move on to the connections between our banking sectors. Our banking sector has a considerable exposure to Ireland, but I should stress that in the opinion of the Financial Services Authority, the UK banks are sufficiently well capitalised to more than manage the impact of the situation in Ireland. For a long time now the devaluation in Irish asset values has been accounted for and priced in.

One thing is clear. It is undoubtedly in Britain's national interest to have a growing Irish economy and a stable Irish banking system. In the judgment of both the Irish Government and the international community that was not going to come about without the assistance package we debate today. I would now like to explain to Members the principles of the Bill, and then take them through the heads of terms of the loan agreement.

The Bill has two substantive clauses. Clause 1 sets out the parameters under which the Treasury may make payments under UK loans to Ireland. As I explained earlier, the total international assistance package, including our contribution, is denominated in euros. However, we are making a bilateral loan in sterling so that Ireland bears the exchange rate risk over the coming years. Subsection (3) of the clause includes a cap on the total size of our bilateral loan. It is written on the face of the Bill that

"the aggregate amount of payments made by the Treasury by way of Irish loans...must not exceed £3,250 million".

In other words, the £3.25 billion we originally agreed will be the maximum total size of our bilateral loan to Ireland. A sunset clause is also, in effect, built into the legislation. The period over which the loans may be offered begins on 9 December 2010, when the Bill was published, and ends on 8 December 2015.

Mr Bone: Subsections (4) and (5) seem to say the opposite. They seem to say that the maximum amount may increase because of differences in the exchange rate. Is that not what they mean?

Mr Osborne: My hon. Friend is pre-empting my speech. I shall get on and explain exactly what those two subsections mean.

As I said, there is no expectation that we will have to make further loans to Ireland in the future. Subsection (4) is intended to prevent an increase in the size of the loan, unless an order is made by statutory instrument, but because the loan is denominated in sterling, a mechanism is needed to accommodate potential changes in the exchange rate in the period between the publication of the Bill and the signing of the loan agreement—that answers my hon. Friend's point—which could happen in a matter of days. This is not about the exchange rate risk over the coming years—that risk is borne by Ireland—but merely a mechanism to deal with the fact that we are publishing the Bill before we sign the loan agreement, for the reasons that I set out earlier.

The Bill allows the Treasury, under subsections (5) to (7), to make an order once the Bill is in force to increase the limit, as long as that is done solely to take account of exchange rate fluctuations between now and 30 days after Royal Assent, without further Parliamentary procedure.

Mr Cash: I am sure that my right hon. Friend will understand my saying that it would have been so much simpler if what he has just said had been specified in the Bill, instead of a blanket wording referring to substituting a greater amount. We would have then known that that was only intended to allow a margin of error depending on currency fluctuations. Subsection (4) is absolutely clear that there is no restriction.

Mr Osborne: No, let me explain. There are two separate subsections. Subsection (4) allows the loan to be increased substantively, but only with the authority and vote of this Parliament. If I were ever to seek a larger loan to Ireland, I would have to come here and get the vote of the House of Commons. That is what subsection (4) is about. I am making it clear that I have no intention at the moment of doing that, but subsection (4) provides for it, and would prevent us from having to pass further primary legislation. The protection for Members of Parliament is the same—they can keep a check on the Executive—because I would be required to get that affirmative resolution.

Subsections (5) and (6) refer to something different, which is the gap between the passage of the Bill and the signing of the loan agreement. There might be small movements in the exchange rate. We have signed up to this package of a contribution in euros, but we are making a sterling loan. As I explained earlier, I had the opportunity to sign the loan agreement and come retrospectively to seek parliamentary approval, but I am trying to do it the other way around because it gives Members of Parliament a much greater degree of control. That is why these two subsections are required.

Mr Laurence Robertson (Tewkesbury) (Con): I will be supporting my right hon. Friend in the Lobbies tonight, but I am slightly concerned about clause 1(4), which is rather open-ended about the amount that could be paid. Even though a change would have to be passed by the affirmative resolution, I think the Chancellor would confirm that would be agreed by only a very small number of Members and not the entire House.

Mr Osborne: My hon. Friend has a deep knowledge and experience of issues in Northern Ireland, and indeed the Republic, and I know that his Select Committee will be interested in what is happening with those economies. Let me reassure him that there would be a vote by all Members of the House if I, or any successor of mine—should there be one before 8 December 2015—ever sought to increase the loan. A vote in Parliament would be required, so the effect is exactly the same as asking Parliament to pass another piece of primary legislation. It would involve a vote of the House, which means the legislature exercising its control over and acting as a check on the Executive.

Mark Reckless (Rochester and Strood) (Con): Will my right hon. Friend confirm that, notwithstanding previous assurances, this loan will not rank pari passu with the EU funds extended under the mechanism, but will be subordinated to them?

Mr Osborne: There is a convention that multilateral loans, such as those involving the mechanism and the IMF, rank senior in any loan agreement. Let me reassure my hon. Friend that I have examined this with great care and interest. The convention is pretty clear and long-established in international law that multilateral loans are senior. That means principally the loan from the IMF, but also the loan from the European mechanism, which we stand behind, so it is also in our interest that it is repaid. However, our loan will rank pari passu with the eurozone and the other bilateral loans. That has partly shaped our judgment about the interest rate we will charge and the point at which we will start to disburse our loan. I shall come back to that.

[Mr George Osborne]

We expect full repayment to be made over the term of the loan. Clause 1(8) sets out that repayments of both the principal and the interest will go into the Consolidated Fund. We want the whole process to be as transparent as possible, so clause 2 creates a requirement for the Treasury to prepare and lay before Parliament every six months a report on any payments made by the Treasury by way of a loan to Ireland, any sums received by the Treasury by way of interest or repayment of such loans, and the amounts outstanding, in the period to which the report refers.

As I have said, I welcome the agreement across many parts of the House about the need to make this loan, which is in our national interest. I thank the Opposition in particular for their support, and to reciprocate their co-operation I thought we should look favourably on their amendments. I therefore propose to accept in principle the Opposition's amendment 1, which would modify the Government's reporting requirements in relation to the bilateral loans. We have today tabled a more appropriately worded version of the amendment which achieves exactly the effect that the Opposition intended. May I explain to my hon. Friend the Member for Wellingborough (Mr Bone) that this is why there is a manuscript amendment? I am trying not to tempt him, because I am sure that he could speak for even longer, but I want to explain this point because he has raised his concern about it. The manuscript amendment has been drafted by the Government's parliamentary draftsmen in relation to an Opposition amendment that we propose to accept and it has exactly the effect that the Opposition sought.

Let me update the House on the terms of the bilateral loan that we have now agreed in principle with the Irish authorities. I apologise that this information was not made available much further in advance, but the terms were agreed only this morning with the Irish Government and I wanted all Members of the House to have this information available to them. The loan will be drawn in eight tranches, each with a 7.5-year term. The length of the loan is in line with the terms of both the European and IMF loans. The first tranche of our loan will be available to be disbursed in September 2011, which is later than for some of the other tranches that are being drawn down from partners such as the IMF and the European Union.

The interest rate charged on each tranche of the loan will be fixed specifically for that tranche. It will be set by adding a fixed margin of 2.29 percentage points to the appropriate market-determined interest rate—the sterling 7.5-year swap rate—at the time of disbursement. For example, at the present time, the estimated—I stress estimated—interest rate on the first tranche of the UK loan would be the sterling 7.5-year swap rate in September 2011, which on Monday stood at 3.65 percentage points, plus 2.29 percentage points. That would mean a hypothetical interest rate of 5.9% for the first tranche of the loan. The rate on our bilateral loan will be slightly higher than the estimated rate of 5.7% for the first tranche of the IMF and European mechanism funds, so we are charging a slightly higher rate of interest, but it is lower than the estimated 6.1% rate that the eurozone facility will charge on its first tranche of lending. That reflects the different costs of funding and is a measure of international confidence in the UK's public finances.

Mr Philip Hollobone (Kettering) (Con): Will my right hon. Friend inform the House how that rate of interest compares with the loan he mentioned earlier that the UK Government agreed with Iceland?

Mr Osborne: The interest rate to Iceland is substantially lower because, frankly, needs must: I am seeking to recover money from Iceland. I am dealing with a situation that I have inherited—obviously the Iceland loan relates to events that happened under the previous Government—and I need the support of the Icelandic Parliament. The rate of interest we are charging is slightly higher than the Dutch, who have also entered into an agreement with the Icelandic Government, are seeking. People might remember the circumstances at the relevant time—there was a pretty acrimonious dispute between Iceland and the previous UK Government—and we have sought to repair broken bridges. The terms of the loan that we have come to with Iceland mean that this country will get its money back. My judgment was that other terms might have meant our not getting our money back at all and that would not have been very sensible.

Mark Reckless: It is enormously welcome that this country is working with Iceland and Ireland to support them in these very difficult times. The Chancellor has mentioned the current 7.5-year swap rate; can he tell us how much higher it is than when he first announced our participation in this bail-out?

Mr Osborne: I do not think it has materially changed. I have been quite focused on trying to land it at the 5.9% rate, because that sits between the 6.1% and 5.7% rates of the other international parts of the package. That rate reflects some of the circumstances that relate to my hon. Friend's earlier intervention.

The IMF will charge a floating rate, with a margin above its funding costs, in line with its pre-existing loan terms for an extended fund facility. The European loans, like ours, will charge a fixed rate on each tranche set using a margin above their own cost of funds. We will charge interest every six months and there will be a repayment of the principal at the end of the 7.5-year term of each tranche.

In common with the IMF, we will also charge a commitment fee for making the loan. We will charge half a percentage point on the total amounts that may be drawn on under the loan agreement for the forthcoming 12-month period. If the loan is drawn on, the fee will be waived and effectively replaced with the interest charged on the loan.

There are two conditions, which are set out in terms to which I draw the House's particular attention. The first is that the IMF, as well as the EU, must be satisfied that Ireland is complying with the agreed restructuring plan. I think that that is a very important safeguard for British taxpayers. The second, crucial, condition is that there must be

"no amendments to the Restructuring Plan that would have a material adverse financial impact on the UK operations of Anglo Irish bank, Allied Irish Banks and Bank of Ireland".

Given the scale of those banks' operations in the UK, that second condition is significant, and it shows in a practical way why I believe it was right for us to provide the loan. It allows us to have a say in a restructuring plan that could otherwise have had a major impact on

the UK and its banking system, and could potentially have cost the British taxpayer considerable sums of money without our voice even being heard. Making the loan has enabled us to set that condition, and to be part of the discussion about the restructuring plan and its impact on the UK subsidiaries of banks which have significant presences in Northern Ireland. I know that there is concern about the potential impact of the plan on jobs and the availability of credit in Northern Ireland, and, indeed, about its potential impact throughout the UK, given that Bank of Ireland owns the Post Office card account.

Nadhim Zahawi: What the Chancellor is saying is particularly pertinent, given that the Post Office cash machine in Portcullis House was provided by the Irish banks.

May I ask a quick question?

Ms Angela Eagle (Wallasey) (Lab): Give him a job; it would be easier.

Nadhim Zahawi: A quick question to the Chancellor, that is.

Mr Deputy Speaker (Mr Nigel Evans): No interventions on an intervention, please.

Nadhim Zahawi: Are we the only lender that is lending in a currency other than the euro?

Mr Osborne: Sweden and Denmark are at this moment finalising their loan agreement, and I do not think they have yet made that decision. As I have said, we decided to lend in sterling so that the exchange rate risk would be borne by the Irish rather than the British Government.

The official advice from the Treasury is that the loan agreement represents value for money for the British taxpayer. As I said earlier, it is also in line with the terms offered by both the IMF and the eurozone. I have laid before the House a summary of the key terms of the agreement, and a final written agreement will be forthcoming in the next few days—or, potentially, weeks—once the European and IMF assistance has also been agreed. I will, of course, keep the House informed.

One thing is clear: Ireland is a friend in need, and it is because our economy is currently in a stronger position than Ireland's that we are able to offer it such reasonable and sensible terms for our bilateral loan.

Mr Mark Field (Cities of London and Westminster) (Con): I understand all the Chancellor's concerns about the close relationship between us and Ireland. He said it was important for this country to be at the table in terms of any restructuring. Does he understand the concerns of many of our constituents, who would say that a similar argument could be advanced if there were problems for, say, Santander in Spain, or for other European banks with significant interests in London? Will he make it very plain at this juncture that he considers this to be a case in its own right, rather than one to which we might have to return in the next six to nine months if further problems arose in the eurozone?

Mr Osborne: I have said that I regard this as a case in its own right—a very specific case. As I have explained, quite candidly, my officials offered me two options: a general, enabling piece of legislation allowing us to make bilateral loans to other countries, and the much more narrowly drafted Loans to Ireland Bill. I think that the clue is in the title.

Jim Shannon (Strangford) (DUP): Over the past few days we have seen substantial growth in the economy of the UK mainland, but that growth has not been reflected in Northern Ireland, as some of its financial institutions—notably Ulster bank—have indicated. What assurance can the Chancellor give the Northern Ireland Assembly, the Minister of Finance and Northern Ireland Members in the House that, at every stage, full consideration will be given to how loans to the Republic of Ireland will affect the economy in Northern Ireland? At this stage, we feel apprehensive about what is being proposed.

Mr Osborne: I completely understand the hon. Gentleman's apprehension, given the close connections between the economies of Northern Ireland and the Republic of Ireland. Let me make two points. First, as I said earlier, the loan has enabled us to be part of the international discussion about the restructuring of the Irish banks, some of which—as the hon. Gentleman knows even better than I do—are incredibly important operators in Northern Ireland. I appreciate that he will not have had a chance to study the loan agreement, as I have laid it before the House only within the last couple of hours, but one of the conditions is that there should be

"no amendments to the Restructuring Plan that would have a material adverse financial impact on the UK operations of Anglo Irish Bank, Allied Irish Banks and Bank of Ireland".

That partly addresses the banking situation in Northern Ireland, and, as I have said, it gives us a seat at the table in discussions that affect the UK.

Secondly, as the Secretary of State for Northern Ireland said this morning during Northern Ireland questions, we want to engage with the Executive, with representatives of the Assembly and, indeed, with Members of Parliament about how we can enable the Northern Ireland economy to grow. A draft paper has been put to the Executive. I am very engaged in the process, as is my hon. Friend the Financial Secretary to the Treasury. I repeat the offer that I made earlier to hold a detailed discussion with Northern Ireland representatives, at any point, about some of the broader economic measures that we might be able to take in Northern Ireland to help its economy.

Several hon. Members *rose*

Mr Osborne: I give way to the right hon. Member for Belfast North (Mr Dodds).

Mr Nigel Dodds (Belfast North) (DUP): I am grateful to the Chancellor, whose comments have clearly provoked a big reaction.

Corporation tax is a big issue in Northern Ireland. It worries people there that the Irish Republic wishes to retain its 12.5% corporation tax rate. We in Northern Ireland are arguing for a cut in our rate, but the Secretary of State for Northern Ireland tells us that that will cost us some £310 million of our block grant. In a way, we will be subsidising the Irish Republic to keep its corporation tax low, and penalising Northern Ireland if it wants to

[Mr Nigel Dodds]

reduce its corporation tax. The Chancellor must take that into account in the context of this package of measures.

Mr Osborne: As I said to the House on a previous occasion, I did not think it right—others may take a different view—for one sovereign nation to try to dictate the tax rates of another sovereign nation. I did not think that that was a precedent that we particularly wanted to set. I entirely understand the competitive pressure that the Irish corporation tax rate puts on Northern Ireland, but ultimately it must be for the Irish Parliament to determine its own tax rates. It is, of course, having to take some very difficult measures to preserve the corporation tax rate in the Republic.

I know that there is a discussion to be had about the corporation tax rate in Northern Ireland, and about other measures that might be taken there. A document has been submitted this week. I hear what the right hon. Gentleman says, but let us have that discussion with the Secretary of State for Northern Ireland and Northern Ireland Members.

Several hon. Members *rose*

Mr Osborne: I will briefly take a couple of interventions.

Mr Geoffrey Robinson (Coventry North West) (Lab): I have listened with interest to what the Chancellor has been saying. I appreciate the measured way in which he has presented his proposals and, indeed, the cross-party support for them, and I have no wish to disturb that support. However, will the Chancellor think again about two aspects of what he has said?

First, there is the question of the terms on which the loan will be repaid. Given that the deal is currently quite advantageous to the Irish in terms of interest rate security and, indeed, the standing of the loan, would it not be possible to negotiate the option for the UK to be repaid in sterling should there be an interesting movement in the sterling-euro exchange rate, which is quite likely?

Secondly, given that the right hon. Gentleman rather alarmingly says that this might not be the end of the matter, and that therefore he has left the way open, through just the affirmative procedure, for more substantial loans—I think I understand the situation correctly from what he says—to be made to Ireland, will he look at making such action subject to new legislation in the House, which would attract more attention and scrutiny from this body?

Mr Osborne: We are being repaid in sterling, so that answers the hon. Gentleman's first point. I have already dealt with the second point on a number of occasions, but I shall just point out that the effect would be exactly the same. Whether I brought to the House legislation or used the affirmative procedure, I would have to get the support of Members, so materially the impact would be exactly the same: the House of Commons would be able to stop such action taking place. I should stress that I have absolutely no intention of doing so at the moment, and there is protection.

David T. C. Davies (Monmouth) (Con): I do not pretend to be an economist, but does the Chancellor share my concern that, if the European Union forces Ireland to put up its corporation tax, that might hold greater danger for us, as Ireland could be in less of a position to pay us back the money? For that reason alone, we should resist any attempt by outside bodies to impose a tax regime on Ireland.

Mr Osborne: My hon. Friend makes a very good point. A sudden flight of international investment from Ireland is not in anybody's interest. All countries seek to compete against each other for such inward investment, but, as I say, it would set a poor precedent for the UK if one nation state or a collection of nation states started dictating to another nation state what its tax rate should be.

Mr Love: Will the right hon. Gentleman give way?

Mr Osborne: If the hon. Gentleman just allows me to make a little progress.

Mr Cash: Will my right hon. Friend give way?

Mr Osborne: My hon. Friend will be very focused on what I am about to say, so if he does not mind I shall make a little progress, and then I shall be happy to take an intervention.

Let me turn briefly to the arrangements for a permanent stability mechanism for eurozone economies. The European Council this week is expected to discuss the matter. Both the Prime Minister and I are very clear that when it comes to putting in place a permanent mechanism, the UK is not part of the eurozone and so will not be part of that mechanism. The president of the euro group has accepted that the UK will not be part of the permanent stability mechanism, and that the European financial stability mechanism, which the previous Government agreed in May and of which we are part, will cease to exist when that permanent eurozone mechanism is put in place.

We will seek to bring to an end the use of the mechanism established in May for the resolution of sovereign debt problems. It was established under article 122 of the Lisbon treaty and originally intended to provide support for member states following natural disasters. European Finance Ministers, including my predecessor, chose to apply that article in May to deal with the eurozone crisis at that time, but that temporary solution should not become a permanent way of doing things, and the time has now come for the eurozone to put in place its own mechanism for dealing with the imbalances in the eurozone. That needs to be part of a comprehensive solution whereby countries address their own problems more decisively, including in their banking systems. We in Britain have shown the way.

Joseph Johnson (Orpington) (Con): The Chancellor speaks of a comprehensive solution. Does he recognise that we face not only a crisis of liquidity in Portugal, Greece and Ireland, which we are assisting bilaterally, but a crisis of solvency? The solvency crisis will require us to address not just Irish bank restructuring, but Ireland's sovereign debt—it is impossible to distinguish the two, given that the Irish state has guaranteed all the Irish banking system's liabilities—and the solvency of other peripheral eurozone economies. We are helping with financing, but we have not yet addressed the fundamental solvency of those peripheral countries.

Mr Osborne: My hon. Friend makes a very good point. There was a debate—it was pretty widely reported, so I am not betraying anything that was not read by everyone throughout the world—about whether to address the solvency issues, and whether there should be a contribution—or a haircut, to use the jargon—from senior debt holders in the banks or, indeed, sovereign debt holders. The international community's view, with which we absolutely agree, is that such a contribution risked a very serious contagion that might spread through many different banking systems, not just those of the countries to which my hon. Friend refers. So the decision was taken not to require a private sector bail-in from senior debt holders in the banks or, indeed, sovereign debt holders.

As part of a comprehensive solution, the eurozone needs to come to a rapid conclusion about its mechanism, draw a distinction, as it has sought to, between existing debt and potential future-issued debt, create a credible mechanism and work out how a single currency zone that does not have a single fiscal policy or a political union will deal with its imbalances.

Mr Cash *rose—*

Mr Osborne: I see the speed with which my hon. Friend leaps to his feet at that point, but I shall take his intervention in a moment.

The eurozone needs to address that situation, and we need to ensure that it gets it right, because that is absolutely in our interests. Individual countries also need to address their problems. Portugal has a long-standing problem with its economic productivity, which the Portuguese Government are determined to address. The Irish banking system has caused enormous problems for the Irish Government, who are now addressing that. In a bipartisan debate, this is a slightly partisan point, but I think that the UK has demonstrated over the past six months that, by its own efforts, a country can earn market credibility, improve its credit rating and improve international confidence in its economy. We need the eurozone to sort out its mechanism, but individual countries in Europe also need to take decisive steps to deal with the particular problems that their economies face. Let me give way to my hon. Friend the Member for Stone (Mr Cash), and then I must conclude to allow others to speak.

Mr Cash: I have put a number of questions, as yet unanswered, to my right hon. Friend on that very issue, but I am glad that he has given, at any rate, a partial answer to one of them. The mechanism's transfer from what appears to be an unlawful basis in article 122 of the Lisbon treaty to the new proposals under article 136 will involve only the eurozone and represent an important step in the right direction. Does my right hon. Friend not accept, however, that much could happen over the next two or three years, between now and 2013, while the mechanism in which my right hon. Friend's predecessor engaged, and which I believe to be unlawful, continues? We could be locked into a Portuguese or a Spanish black hole. We do not know yet, but there is a danger.

Mr Osborne: First, I am dealing with the situation as I found it, and as I found it we were committed to that mechanism under qualified majority voting, but I am trying to extricate us from that. Secondly, the permanent arrangements might come into play sooner than 2013. That is a subject for discussion at the European Council, and, certainly as far as we are concerned, the sooner we get on with it, the better. I am doing everything I can to ensure that the UK is extricated from the commitment that was entered into, and we are making good progress.

Mr Love: Will the right hon. Gentleman give way?

Mr Osborne: If the hon. Gentleman will allow me, I have already taken an intervention from him. Many Members want to speak, and I have spoken for an hour.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): Get on with it, George.

Mr Osborne: Well, I took a lot of interventions. I'm sorry about that, but there we go—there's no gratitude in this place!

Let me conclude. The Government have taken action to put our own house in order. We were once seen as part of the problem; we are now part of the solution. It is in our national interest to help Ireland, and I commend this Bill to the House.

2.29 pm

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): We will support the Bill. The more I listen to the Chancellor, the more my admiration and respect grows for his predecessor, my right hon. Friend the Member for Edinburgh South West (Mr Darling). On 8 May, my right hon. Friend negotiated arrangements under which the UK remained outside the €440 billion European financial stability facility and ensured that we did not contribute as much as a rusty old drachma to the bail-out of Greece.

David T. C. Davies: Will the right hon. Gentleman give way?

Alan Johnson: I will take interventions later.

In his statement on 22 November—repeated today—the Chancellor said that he counselled his predecessor against joining the European financial stabilisation mechanism, which was a pre-existing fund involving all 27 member states and was worth only a seventh of the larger facility. As the Chancellor said, my right hon. Friend the Member for Edinburgh South West is in his place and if he catches your eye, Mr Deputy Speaker, he can give his recollection of that conversation.

However, given that the mechanism—the smaller amount—was decided by qualified majority voting, it seems that agreeing to ensure that we stay out of the €440 billion EFSF was a good deal for our country, particularly as my right hon. Friend ensured that none of the mechanism of which we were part was used to bail out Greece. That was a good deal all round, and a lesson for our inexperienced Chancellor in the art of negotiation. Indeed, the quip going round a couple of years ago, when the collapse of the banking industry in Iceland was closely followed by what happened in Ireland, was: what is the difference between Iceland and Ireland? Answer—one letter and six months. A modern variation could be to ask, what is the difference between Darling and Osborne? Answer—five letters, six months and £6.6 billion.

Mr Cash: When the shadow Chancellor says, as the Chancellor said, that the process was triggered by a qualified majority vote, I am sure that he would agree that that is not strictly true, because it resulted from a request by a member state. The final solution or arrangements are made by virtue of a qualified majority vote at the end. That is a qualification, but it does not alter the fact that, on the basis it was explained to us, article 122 was almost certainly unlawful and the use of article 136 would have been a better route. However, we appear to be entrapped into article 122 for the current purposes.

Alan Johnson: I believe that the hon. Gentleman will seek to address that in his amendment to clause 3, which we will discuss later. On the specific issue, there is no doubt that the mechanism was decided by qualified majority voting. All 27 European member states were part of that. I know from experience of negotiating in Europe over many years that it is a pretty turgid process and one has to be on one's toes. My right hon. Friend the Member for Edinburgh South West can speak for himself, but I think he got a very good deal for this country on Greece.

The Chancellor must take responsibility for the deal that he has negotiated and not try spuriously to blame his predecessor, as he did again in his evidence to the Treasury Select Committee on 8 December. He had a choice about whether the UK should contribute to the Irish rescue plan. In principle, he has made the right choice, but before us today is a hastily drawn-up Bill that does not set out the terms of the loan, the interest rate or the repayment schedule. Colleagues from all parties will want to explore and probe those matters in Committee, and we particularly want to get to our amendments on clause 2, so a goodly proportion of the time available to us this afternoon may be better spent on that. It is therefore not my intention to detain the House for long on Second Reading.

David T. C. Davies: Does the shadow Chancellor share my gratitude that the decision is being taken in this Chamber and not by a group of unelected bankers in Frankfurt? That is because we did not listen to Opposition Members—we have never supported joining the euro, which would have meant that the decision would not have been ours to make in the first place.

Alan Johnson: I always try to avoid sharing the hon. Gentleman's pleasure. I shall come to the nature of the deal, because in debating the Bill we are discussing one element that constitutes a little more than half of the money that the UK taxpayer is putting into the deal.

The argument for treating Ireland as a special case is clear. I shall reiterate some of the points that the Chancellor made. Our two countries are intertwined in commerce, in trade, in banking, in culture and in sport. We share a language and a land border. Not only is Ireland one of our five largest export markets but, as the Chancellor said, one part of the United Kingdom—Northern Ireland—sends 40% of its exports across the border to the Republic. The situation in Ireland could cause significant damage to UK financial institutions and create instability in both sovereign and bank debt markets. The UK is Ireland's largest creditor—we are talking about almost €112 billion—and I understand from a newspaper report last week that the Royal Bank of Scotland and Lloyds have Irish loan books worth 82% and 53% of net assets respectively.

In its report last month, the International Monetary Fund singled out Ireland to demonstrate what it called the "key underlying vulnerability" of UK banks' exposure to foreign banks. The support programme assures the protection of senior bond holders in Irish banks from any losses, thus affording a greater level of protection to UK banks. For all of those reasons and many more, it is in this country's interest to support this package.

I want to raise three concerns. The first, which was raised in a couple of interventions—including by the hon. Member for Stone (Mr Cash)—is the open-ended nature of the commitment. There is a distinct possibility of more money being required for Ireland after 2013, given the tendency of Irish banks to downplay the severity of their situation and the tough conditionality being applied alongside concerns about European growth. In those circumstances, should we not make it clear to our European partners that the EFSF must be used for any further financial support, rather than giving the impression that this is a well into which further buckets can be dipped?

That is particularly relevant to my second concern about the balance between the contributions made by the various mechanisms. The €440 billion EFSF—the facility—for eurozone countries only is being tapped for 4% of the total resources that eurozone countries have agreed to make available for Ireland. The smaller EFSM—the mechanism—of which we are part and to which we contribute, was not used at all for the Greek bail-out. The EFSM is offering 37.5% of its available resources for the Irish bail-out. Why was that formulation chosen and why is the total amount we are contributing double the amount that we would have had to pay if we were a eurozone country?

Mr George Osborne: I am not sure that the shadow Chancellor is correct in that assertion. First, our contribution has been calculated on the basis of what we would have paid if we had been part of the facility. That is how the £3.25 billion figure was broadly arrived at. Secondly, the mechanism currently in use was created after the bilateral agreement was put together for the Greek bail-out. It was never available to be used for the Greek bail-out, which took place as a series of bilateral loans across Europe. As I understand it, over the May weekend the facility was put in place to address the crisis and article 122 was drawn upon to create the mechanism, so it could not have been used for Greece at that point.

Alan Johnson: I am grateful to the Chancellor for that intervention. However, it does not explain why the £3.25 billion he has just mentioned is the bilateral loan. That is the equivalent of what we would have put into the Irish bail-out had we been members of the eurozone. However, we are also putting in £2.6 billion through the EFSM and £800 million through the IMF. With the bilateral loan added to the other donations of British taxpayers' contributions that we are making through the mechanisms, we are putting in double the amount of money that other European Union countries are contributing.

Charlie Elphicke: Surely, the right hon. Gentleman's point highlights the lack of wisdom in signing us up to the stabilisation mechanism on 9 May.

Alan Johnson: This may be news to the hon. Gentleman, but his party is in government now. As I said, my party ensured that we contributed nothing—not a penny, not a euro, not a drachma—to the Greek bailout. The Chancellor is coming before this House with a £6.6 billion contribution to Ireland, which we support, but the various aspects of the mechanism need to be explained and understood.

Mr Bone: The shadow Chancellor is on to something here. It is bizarre that less money is being taken from the €440 billion fund than from the €60 billion in the EFSM. Would he have encouraged the Government to vote against the use of that €60 billion?

Alan Johnson: We have the €60 billion fund, about which the hon. Member for Dover (Charlie Elphicke) intervened, and we have a second fund of €440 billion. I am simply pointing out—the public deserve to know this—that only 4% is coming from the larger amount and 37% from the smaller amount. I am curious about that, and we need to understand the logic of it.

Mr Hollobone: Is the shadow Chancellor's point that the European Central Bank is keeping these funds to rescue Portugal, Spain and perhaps Italy in due course?

Alan Johnson: Maybe.

Mr Mark Field: I will try to make a more helpful point. Given that the Opposition are supporting this loan arrangement, does the shadow Chancellor think it desirable that part of it should be bilateral and therefore agree with the structure that the Chancellor has put in place?

Alan Johnson: I do agree that part of it should be bilateral, for all the reasons that I have mentioned. As various members have commented, however, we need to understand why the formulation has been made—because it could be setting precedents; because there is a larger pot of money out of which a lesser sum of money is being brought; and because the Chancellor can come back to this House, by virtue of a statutory instrument and seek further money for Ireland. We need to be clear what we are letting ourselves in for.

Charlie Elphicke *rose—*

Alan Johnson: No, I will not give way—perhaps later.

I am also curious about the following piece of distorted logic. In the Treasury Committee, the Chancellor said that it was okay to set austerity aside in order to make a loan to Ireland because of the promise of repayment. He said that this loan "adds to our debt" but

> "We're getting back a very important asset which is a commitment from the Irish government to pay us back with interest."

What puzzles me is which part of that definition of a sensible loan did not apply to Sheffield Forgemasters. [HON. MEMBERS: "Oh."] I am sorry that Government Members groan about British manufacturing industry. My right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) raised this issue during the Chancellor's statement on 22 November. Why does the Chancellor agree a huge loan to Ireland on the basis he cited but reject a modest £80 million that would be paid back with interest and boost the opportunity of British manufacturers to have a substantial stake in the civil nuclear energy supply chain, which is currently dominated by overseas companies? At a time when we are looking for jobs and growth, the logic of that escapes me.

My third concern is the prospect of each eurozone country being bailed out as its economy falls into crisis without addressing the root causes of the continent's problems.

Mr Cash: Is the shadow Chancellor aware that serious discussions are going on about increasing the €400 billion facility, and probably doubling it? In response to my hon. Friend the Member for Kettering (Mr Hollobone), is not the whole European Union, not to mention the world at large, confronting a very dangerous and difficult situation?

Alan Johnson: Yes, but that is a matter for the eurozone. If the Chancellor is right in his prediction that perhaps this can ensure that we come out of the €60 billion mechanism, the facility and the other moneys, then fine, but as we are making a big contribution—more than we would have done had we paid the amount that a eurozone country would have paid to rescue Ireland—we must be in a position to influence this debate.

Mr George Osborne: I must correct this point. We are paying pretty much exactly what we would have paid if we had been a member of the euro; that is how the bilateral loan is being calculated. Germany is paying both through the facility and through the mechanism, and so are France and the other members of the euro. Other countries are paying twice. Ours is a bilateral loan like those of Sweden and Denmark, and they too have been calculated in a similar way.

Alan Johnson: I am grateful for that clarification; we will look at that very carefully. What the Chancellor is saying is that France and Germany, through their IMF contribution—*[Interruption.]* The Financial Secretary says no. The point I am trying to get at—perhaps the hon. Gentleman can clear this up when he replies to the debate—is that if the UK is putting in a bilateral loan that is equal to the amount that we would have paid as a eurozone member, and we are putting in money through the IMF as well as £2.6 billion through the mechanism, how does that relate to the money that France and Germany are contributing? As far as I am aware, they have no bilateral arrangements, so the money is going through the IMF, or through the stability facility which accounts for only 4% of the resources. That is a point that we need to hear about.

Claire Perry (Devizes) (Con): The shadow Chancellor says that he supports the idea of a bilateral loan because Ireland is such an important trading partner for Britain. I am delighted to hear that he is going to support the Bill. However, will this be another situation like the graduate tax whereby he will say one thing and the rest of the shadow Cabinet will say another?

Alan Johnson: I will not bother to take an intervention from the hon. Lady next time, because that point does not even begin to be germane to this problem.

My third concern is how we are going to draw a line under this matter. We had the Greek bail-out, and now we have had the Irish bail-out. There is no sign of any real stability in the eurozone to stop such events happening again.

Andrew Gwynne (Denton and Reddish) (Lab): Is it not important that Europe gets ahead of the crisis? As we saw with the Greek bail-out, such short-term measures do not solve the fundamental problems across the eurozone.

Alan Johnson: I am coming to exactly that point.

Some Conservative Members think that the root cause is the single currency. I do not share that view. The euro had nothing to do with the property boom and bust, and a failed euro would be an economic and political disaster with repercussions well beyond our continent. Ireland needs a healthy eurozone, or it will end up with years of deflation and unemployment, and we will be less likely to have our loan repaid.

As the loan that we are being asked to approve is equal to the amount of money that we would have contributed had we been a member of the eurozone, surely that gives us the right to influence the necessary debate on what action is needed to address the underlying causes of this recurring crisis. This bail-out buys time, but there is no sign that Europe's leaders know how to put it to good use. In May, we had the Greek bail-out; six months later, we have to deal with Ireland. In neither case is there much sign that these countries have resolved the core dilemma, which is solvency.

Collective austerity across Europe offers countries with high debt burdens no way out. Cutting demand in Germany is the last thing that Ireland needs at the moment. What we are seeing in Europe bears out the IMF's conclusion that fiscal austerity does not boost short-term growth and that deficit cuts are more painful if they occur simultaneously across many countries. Ireland needs a healthy eurozone with markets such as Germany consuming Irish goods, or it will end up with years of deflation and unemployment. Having engaged in repeated rounds of austerity, with VAT rises, welfare cuts and redundancies, Ireland still finds growth elusive: it has been consistently poor for the past three years. Indeed, the economy has shrunk in 11 of the 14 quarters since the beginning of 2007, and sluggish growth has made getting the deficit down much harder.

Mr Bernard Jenkin (Harwich and North Essex) (Con): When a country becomes over-indebted, it can either enslave itself to the debt or inflate and devalue. Is it not clear that the fundamental problem is that none of the countries in the euro can inflate and devalue to get out of their problems? That is why some Conservative Members are saying that it is only a matter of time before some of these countries fall out of the euro, and that we would be better off planning on that basis than pretending that we can hold back an unstoppable tide.

Alan Johnson: The hon. Gentleman is right that the single currency gives Ireland no mechanism to devalue its currency, and that that causes it a problem. However, there are two extremes to that argument. The first says that the eurozone is unfinished business; what started as a currency harmonisation needs to move to the next stage. I heard the president of the European Central Bank say on the radio last night that the next stage should be political integration. My party does not agree with that; nor I am sure does the hon. Gentleman's. Further integration is one extreme that we should not go to.

The second extreme says that if Ireland simply withdrew from the euro or the eurozone, its problems would be solved. I do not believe that to be the case. The eurozone has to recognise the problem that its countries cannot devalue and must find a mechanism that ensures that this problem does not keep happening to country after country. The hon. Member for Harwich and North Essex (Mr Jenkin) has a view, as do many of his colleagues, on the answer to this ongoing problem. I do not agree with him, but I believe that it is central to stop this happening to other countries, and to stop it being a regular event. The fragility of the recovery, especially in Europe, emphasises the need for decisive action to resolve the underlying difficulties faced by eurozone countries.

The situation in Ireland is a huge embarrassment for the Chancellor, exposing as it does his poor judgment and rich hyperbole. At the time of the comprehensive spending review, he claimed that our country was on the brink of bankruptcy. He now proposes a loan of an amount that is well over half the cumulative debt interest savings that he claimed he would make over the spending review period. There is also the paradox of his support for Ireland's banks, but his opposition to the previous Government's successful measures to protect British banks.

Finally, there is the Chancellor's frequently expressed belief that Britain should look to Ireland for inspiration, which he expressed both before the banking crisis, when he urged us to emulate the "Irish miracle", and since the crisis, with his desire to copy some of Ireland's painful austerity measures. His gloriously misjudged 2006 article in *The Times* is now well known:

"Ireland stands as a shining example of the art of the possible in long-term economic policymaking".

He is in good company. I shall quote from the Prime Minister in the *Belfast Telegraph* on 26 October 2006.

Nadhim Zahawi *rose—*

Charlie Elphicke *rose—*

Alan Johnson: No, I will not give way. The Prime Minister said:

"That is why a priority for any Conservative government led by me will be to create a much better environment for business... We know it can be done. Just look at the Republic of Ireland."

Two years later, at exactly the time when Ireland's six largest banks were forced to borrow €20 billion from the European Central Bank, the Prime Minister said that Ireland had

"a 'future fund' of assets, providing security against future liabilities and unknown shocks coming down the line."

Perhaps those on the Treasury Bench will update us on how that future fund is doing in Ireland. Finally, in June 2008, at a Cameron Direct event in Harlow, he said:

"When it comes to the engine room of the country, the economy, you know you can look across to southern Ireland where they have created a dynamic economy. Well we've got to do that right here."

Our message to the Chancellor as we prepare to support his Bill is not to replicate Ireland, but to repudiate the measures that put its economy in such a perilous position.

We understand that there is an O'Donnell circulating a plan B in Whitehall against the Chancellor's wishes. As the Chancellor said in *The Times*, the Irish have

"much to teach us, if only we are willing to learn."

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Because of the popularity of this debate, there will be a seven-minute limit for speeches by Back Benchers. The usual arrangements apply for interventions.

2.54 pm

Mr Andrew Tyrie (Chichester) (Con): Until the shadow Chancellor's last few words, I was looking forward to saying that I agree with just about everything that has been said from both Front Benches. None the less, there is a good deal of cross-party consensus about what is being discussed.

The Chancellor is faced with a difficult situation: a regional currency crisis that is largely not of his making, a close neighbour with strong historical ties in the eye of the storm and an inherited financial commitment to assistance at the European level.

The Treasury Committee took advantage of the Chancellor's appearance before us last week to cross-examine him on these matters in some detail. That appearance, his speech today and particularly the terms sheet, which we have just received, have given us a good deal of information, and I am grateful to him. I am relieved, according to that information, that any increase in the loan, which is permitted by the legislation, will be debated on the Floor of the House.

We now know the price of the loan for the first time, broadly speaking. It looks sensible, although I notice that it can be varied under the enabling legislation. As my hon. Friend the Member for Rochester and Strood (Mark Reckless) has pointed out, we have discovered from the terms sheet that the loan is junior in the debt hierarchy to support through the EU mechanism. It would be useful if the Minister, in the winding-up speech, told us whether the Irish can repay the loan early without penalty. I do not think that that is what is stated in paragraph 5(c) of "Other Terms" in the loan agreement—I have obviously had very little time to read it—but there is also a reference to "exceptions" in the bracketed part of the sentence.

A number of hon. Members and I would like to know whether the Government have considered purchasing assets held by the National Asset Management Agency, as an alternative to part or all of the loan.

As far as I know, this bilateral loan has no direct precedent. The UK has gone further than was needed to fulfil its legal obligations. The Chancellor made a strong and persuasive case, which was supported by the Opposition. However, I think that that decision needs close scrutiny, as does the decision, which straddled the previous Government's tenure, that left the UK with extra contingent liabilities as a result of the mechanism. We may have been put in the unsatisfactory position of making EU budget payments to bail out the eurozone, even though we are not a member of it.

It is important to bear in mind that demand for a bail-out originated not with a request from Ireland, but from the fear among eurozone members of contagion spreading from Ireland to Portugal and Spain. Most hon. Members agree that bailing out the eurozone is primarily its business and not ours. It is true that the collapse of the zone would generate shockwaves throughout the region, and possibly the world. However, the eurozone does have the capacity to bail out weaker members and, to the extent that the stability of the whole financial system is at stake, our contribution should usually be made via the International Monetary Fund. It is for those reasons that I was relieved when the Chancellor confirmed before the Select Committee that the legislation will be unique to Ireland and does not contain enabling powers for further bilateral eurozone bail-outs.

Mr Cash: My hon. Friend says that he was reassured by the Chancellor, but does he appreciate that until 2013, we will be trapped into that mechanism, unlawful as some of us believe it to be?

Mr Tyrie: I appreciate that. The Chancellor has referred to 2013 on a number of occasions, and my hon. Friend has referred to the possible unlawfulness of the mechanism on a number of occasions, including in private discussions.

This is a crisis of the eurozone, for which UK taxpayers are footing part of the bill. The UK will have to engage with members of the eurozone to limit the damage now and to construct something better for the future. I will touch on a few of those points in the moments that remain. I recognise that the problems to which I refer may be intractable. First, as the Chancellor has said, the senior creditors have been exempted from a haircut. The Chancellor told us that this was because of the risk of contagion. He is probably right, but the resulting moral hazard is large and will have to be addressed.

The second issue that I wish to raise, which naturally none of the authorities wants to talk about, is the fact that even the measures for Ireland and for Greece may not prevent default. The crisis may be one of solvency, not liquidity. That has a bearing on the lender of last resort provisions for the eurozone. It is possible that a sovereign default could trigger a banking crisis and even failure in parts of the eurozone, because banks hold a large amount of sovereign debt on their balance sheets. Such a bank failure could be highly toxic.

It is worth bearing in mind that the great depression of the 1930s was triggered as much by bank failures after 1931 as it was by the stock market collapse of 1929. I do not want to play the role of Cassandra, but I plead that contingency planning at European level be done now for the risk of such a bank failure. On the basis of the eurozone's responses to the crisis so far, I am not optimistic that that planning is being done. The eurozone is fearful of leaks, and those doing the work would be terrified of that possibility. I have no doubt that that would inhibit their work. In addition, pessimism on such issues in European circles does not exactly make such work a career-enhancing prospect for the eurocrats who would have to do it. Let us just hope that they are doing that work.

The third problem that I wish to refer to—I shall leave it at that given the time available—is the long-term future of the eurozone itself in a world in which the bond markets have discovered that the no bail-out

[Mr Tyrie]

clause is toothless. I should say at this point that I have never opposed the eurozone on ideological grounds or on grounds of principle, but I have been wary on practical grounds, particularly the ground that the no bail-out clause may turn out to have no clothes. That is exactly what has happened.

Mr Jenkin: Does my hon. Friend share the concern that because we are taking part in the Irish bail-out on equal terms with the euro members, we are setting a precedent that will put political pressure on the Government to take part in other bail-outs? Does he believe that the Government will be in a position to resist that pressure?

Mr Tyrie: I have no doubt that the Government are listening to my hon. Friend and others, who will put pressure on them to resist the pressure from other quarters. I agree with his point.

It seems to me that very little work is being done on the possibility of the euro crisis leading to more general examples of the no bail-out clause's bluff being called. I would be surprised if there had been any such work. I cannot be sure, but it strikes me as highly unlikely. It is the Ark of the Covenant that the eurozone will continue indefinitely.

When the Chancellor came before the Treasury Committee, he assured us that eurozone members were

"having a discussion about the permanent eurozone bail-out mechanism."

Sajid Javid (Bromsgrove) (Con): Will my hon. Friend give way?

Mr Tyrie: I will not, because I am about to conclude.

Any new bail-out mechanism, however, may itself lack credibility in the absence of a common European fiscal policy. That is why the discovery that the no bail-out clause is a paper tiger will remain an enduring problem for the eurozone's stability, a problem from whose consequences the UK will certainly not be immune.

3.3 pm

Mr Alistair Darling (Edinburgh South West) (Lab): I agree with the hon. Member for Chichester (Mr Tyrie) that we should be concerned about what is being done within Europe not only to deal with the immediate crisis in Ireland but in relation to the other problems that I believe will arise during the course of next year. The piecemeal approach that Europe has adopted, certainly in the past two or three years, has got to stop. I shall return to that point in the short time that I have available.

I support the Bill and agree with much of what the Chancellor has said. He may feel that that is of absolutely no comfort to him given what some hon. Members sitting behind him have to say. He is absolutely right that because of our interests in Ireland particularly the interests of the British banks in the Republic of Ireland and the Republic's banks' interests in this country we should be involved in any restructuring discussions. That is very important to us.

Before I deal with the wider problems, I wish to deal with the funding of the rescue, which has been the subject of the debate this afternoon. As the Chancellor has said, we are funding that rescue through the IMF, which we ultimately guarantee, and through a direct loan from the United Kingdom. We obviously hope that that money will be repaid in full, but there is a contingent liability. We are not part of the eurozone fund, and on the weekend of 9 May I spent many hours resisting every attempt from just about every quarter to get us to stand behind the euro. I did not think that was right for us.

We are also making a contribution, of course, through the European financial stability mechanism. That was the subject of a lot of discussion at the meeting of 9 May. I went to Brussels that weekend with no enthusiasm whatever. We had lost the election, but this country was in the unusual position that there was not a Government in place by the Friday, which was the normal situation over the past few decades. Frankly, I had no option but to go, because not to have done so would have been to empty-chair the UK, which would have been quite wrong. I spoke to the right hon. Member for Twickenham (Vince Cable) and the Chancellor, because I felt it appropriate to do so. I thought that in all probability they would both be in office within a couple of days.

I have to remind the House of the circumstances of that weekend. We were meeting at a time of crisis. There was a real sense that the markets were about to have a go at Portugal and Spain, and there is a sense of déjà vu about that, because we are back in that position now. In all probability, the IMF was going to make a loan. There had been a lot of discussions, prompted by the United States, urging Europe to do something about the growing crisis, yet nothing had happened throughout January, February, March and April. It took that emergency meeting in May, when we had to put together a rescue package to persuade the European Central Bank to start buying bonds. That was the critical decision taken that weekend. If it had not bought bonds, there would have been a real problem. That was why we were faced with the situation that we were.

I discussed with the Chancellor what we should do about the financial stability mechanism. He had his reservations and stated very clearly that he was against deploying it, and he asked me whether I should abstain, recognising that the decision was to be taken by qualified majority voting. Both of us recognised, I think, that if we had abstained, the proposal would still have gone through, because everybody else in the room wanted the mechanism to be deployed. I found myself in exactly the same position that he did just a few weeks ago when he was being asked to contribute. He made it clear in a statement to the House on 22 November that he did not believe we should make that commitment, but said:

"However, it operates according to qualified majority voting and so we cannot stop it being used, and to exercise that vote at this time would, I judge, be very disruptive." [*Official Report*, 22 November 2010; Vol. 519, c. 39.]

That was exactly the situation in which I found myself in May, which was why I agreed to go along with the proposal.

However, I have to say that that fund was not used at all when it came to the bail-out of Greece. That was entirely from the eurozone fund that was set up. Obviously I had left office by then and was not part of the discussions, but that is the simple fact of the matter. Once again, Europe was meeting in crisis, and we had to get a package of £500 billion together to get the ECB to meet. Otherwise, it would have done absolutely nothing.

Sajid Javid: The shadow Chancellor made the rather incredible statement in his opening remarks that he believes that Ireland's euro membership has absolutely nothing to do with the predicament in which it finds itself. Does the right hon. Gentleman agree?

Mr Darling: The circumstances in which Ireland finds itself are complex, but there is no doubt that one problem is that a common interest rate right across Europe is perhaps inappropriate for an economy that is rapidly investing in an asset bubble. However, I do not have the same phobia about the euro that many Conservative Members still have, 20 years on.

Mr Cash *rose*

Mr Darling: Talking of which, I give way to the phobic-in-chief.

Mr Cash: I am extremely grateful. Did the right hon. Gentleman take legal advice on whether, as I said at the time, the use of the financial stability mechanism was an unlawful deal? Article 122 of the treaty on the functioning of the European Union deals with natural disasters, energy supplies and so on, and it has absolutely nothing to do with financial mistakes or misjudgments. Really, the whole thing should never have gone through, and he should have repudiated it on those grounds.

Mr Darling: Yes, but as I said earlier, because of QMV, the deal would have gone through anyway. I also do not agree with the hon. Gentleman's analysis or that the legal position was that clear-cut.

Mr James Clappison (Hertsmere) (Con): Will the right hon. Gentleman give way on that point?

Mr Darling: No—I will not do so because of the time constraints.

I agree with many hon. Members that Europe urgently needs a robust and workable rescue mechanism. We cannot wait until 2013, which brings me to my second main point.

As I have said, I am concerned about the piecemeal way in which Europe as a whole, and the eurozone in particular, address the problems that they face. Even today, there is speculation that the credit rating agencies might revise Spain's status, which would be damaging to that country and to the euro. However, the approach that has been taken so far, which fails to recognise that the single currency involves 16 member states and 16 Treasuries, will inherently be under stress in times such as these. We are simply storing up problems for the future.

Germany must recognise that if it wants to keep the single currency, which is important to it economically and politically, there are consequences in respect of transfer payments to help countries that are in difficulty. I also believe that simply telling those peripheral countries that the only remedy lies in austerity programmes that developed countries might baulk at implementing, runs the risk of them—far from being able to repay or service loans—finding themselves deeper and deeper in the mire. The IMF has discussed that problem. When Ministers in different parts of Europe are asked privately where all the growth will come from—for Greece, Ireland, Spain and Portugal—they say, "We don't know. We can't be certain."

Consider the news today. There is rising unemployment. Most of the job losses are in the public sector, and there is precious little sign that the private sector is taking its place. We should be concerned about the "austerity first" programmes that are being imposed across Europe. The dominant political thought at the moment is that if Government's cut enough, they will get through to salvation. That was tried in the 1920s and early 1930s, and it did not work.

I believe that countries that are in difficulty should look to mend their own houses and to take difficult and controversial steps, but we need to be watchful that we do not get into a situation in which those countries have no way out. If that happens, their consumer and business confidence will fall. Whom do they export to if other countries are shutting down?

The need for some sort of mechanism to address the problems that are inherent in the euro is absolutely urgent. Those problems were simply glossed over 10 or 15 years ago. Let no one think that this is a matter only for the eurozone. As many hon. Members have said time and again, the problem affects us as well, because we are so integrated with Europe and because it is such a big trading partner. Parliament and Ministers need to address the question of such a mechanism. Frankly, we cannot afford to carry on with the current piecemeal approach, which I believe threatens our recovery as much as that of other European countries.

3.13 pm

Mr Christopher Chope (Christchurch) (Con): I hope that the former Chancellor's message to Germany is well received by the German people, because the fact that a price of eurozone membership was making transfer payments to sustain the currency in countries that are not so competitive was never sufficiently spelled out to them. This is essentially a eurozone problem and an Irish problem, and I do not think that we should put British taxpayers' money into it other than to meet our obligations under our membership of the IMF. It is perfectly reasonable to contribute through that mechanism. As the Chancellor has said, in so doing, we get more security for our loan than we would from a bilateral agreement.

The proposed loan to Ireland is relatively soft. Interestingly, the Chancellor says that the proposed interest rate will probably be slightly less than that of the eurozone facility, and that that demonstrates the competitiveness of our economy. I see things differently. If we have such a competitive economy, why not make a profit on the interest rate and charge the same rate as the eurozone and get the benefit for the British taxpayer?

Mark Reckless: All we are doing is passing on to Ireland the quarter per cent. or so of benefit that we gain by being a better creditor than the eurozone. Most hon. Members feel that we should help Ireland, but I agree with my hon. Friend that it is not necessarily helpful to Ireland to have a huge amount of extra debt on top of the great debt it already has. On that basis, I understand his point.

Mr Chope: I am grateful to my hon. Friend for his observations.

None of my constituents, particularly those in the business community, understand how or why we can justify increasing our national debt to help Ireland. The line is that the Irish are friends in need, but I remind the House that there is a strong argument to suggest that the Irish Government exacerbated the original banking crisis. When we had problems with Bradford & Bingley and Northern Rock, and our Government limited the deposit guarantee to £50,000, the Irish increased their guarantee to all deposits. That helped the run on Bradford & Bingley and Northern Rock accounts, thereby developing our banking crisis. We did not get much help from the Irish when we were in need in that situation.

We must also not lose sight of the fact that the Irish people have received enormous sums of British taxpayers' money through our membership of the EU. We make big net contributions to the EU, and a lot of that money was subsequently pushed into Ireland, enabling the Irish people to sustain for a time a much higher standard of living.

Mr Bone: Will my hon. Friend confirm that our net contributions to the EU over the next five years will be £41 billion, which is £21 billion more than in the previous five years?

Mr Chope: I am sure that my hon. Friend is absolutely right. We are contributing to Ireland through our EU membership, so the Irish people should be very grateful.

When, on behalf of my constituents, I weigh up whether we can be pleased with how Ireland conducts its affairs, I must express renewed disappointment that Ireland caved in on the Lisbon treaty, with the consequence that this country has been landed with it.

Mr Hollobone: Does my hon. Friend recall Ireland's position a few months ago, when the UK Government tried to bring the European Parliament budget under control and needed a blocking third to prevent the proposed budget increase? Where was Ireland at our time of need on that occasion?

Mr Chope: My hon. Friend asks a rhetorical question. The answer is that I am not sure where Ireland was at that time.

I agree with my right hon. Friend the Chancellor that we should allow the Irish to have their own domestic policy. That is why it would not be right for us to interfere with their low corporation tax policy—it should be for them to decide. However, the other side of the coin must be that we let the Irish take the consequences and accept the responsibility for what happens as a result. We cannot say, "We're going to help pay for the consequences while not being able to influence the policy." I find what is proposed very intellectually trying to deal with.

When we have a border—our hon. Friends from Northern Ireland have made their points about this—that low corporation tax policy makes things much more difficult. Indeed, it is possible to argue that we have lost the corporate headquarters of major international organisations from London to Dublin as a result of Ireland's low corporation tax policy. Now we are subsidising that policy, the consequences of which are that the Irish have been unable to meet their financial obligations and are desperate for additional loans. I am not convinced that we should be getting involved with British taxpayers' money. It would be different if we did not have an awful national debt crisis, but we do. One consequence of the Bill, if it goes through today, may be to send out a signal to our constituents that says, "Don't worry, the debt crisis is not as bad as we've been telling you, because we can afford to add to that debt further by giving a soft loan to the Irish." At the same time, we are having to argue to our constituents that we cannot put pressure on the banks to give more soft loans to businesses, even if those businesses go bust or cannot expand as a result; with all the damaging consequences for employment that that would have in our country, so I am not convinced.

Mark Durkan (Foyle) (SDLP): Does the hon. Gentleman not acknowledge the scale of the exposure of British banks in the Irish Republic's economy or the key dependence of Northern Ireland's economy on the role of some of the Irish banks?

Mr Chope: Of course I acknowledge that, because it is a fact. However, my hon. Friend the Member for Chichester (Mr Tyrie) made the important point that, in negotiating a bilateral deal, we might have been able to deal with the debts owed to those banks and, in a sense, directed any money that we wanted to give into those British banks, rather than into the Irish coffers in general. We could have linked those things, if that was what was needed. However, I do not think that the difficulties of those banks are a justification for increasing our national debt further in the way that the Bill proposes.

3.21 pm

Mr Nigel Dodds (Belfast North) (DUP): It is a pleasure to follow the hon. Member for Christchurch (Mr Chope). He mentioned corporation tax, which I shall come to shortly. However, it is worth saying first that what is proposed is a generous act on the part of the Government and the people of the United Kingdom. Of course there are good, economic reasons why what is proposed should be considered in the national interest. As has been pointed out, there are strong arguments about Northern Ireland's position, the involvement of banks from the Irish Republic in Northern Ireland's economy, the exposure of British banks to Irish banks, and so on, which are reasons why we should engage in the loan.

However, it would be remiss of me and the people for whom I speak not to point out that the loan is being made merely months before the 90th anniversary of the secession of the 26 southern counties from the United Kingdom. For probably the vast majority of that time, and certainly in the past 30 or 40 years, politicians and others in the Irish Republic have spent most of their time denying the relationship between southern Ireland and the United Kingdom. However, the loan and all that has been said prove the interdependence of the Irish economy and the Irish Republic with—and, to a large degree, their dependence on—the United Kingdom. There are those who go around saying that the United Kingdom should keep out of their affairs and all that, but I think they now realise that in many ways the dependence is very great, and not just on Europe, but on the United Kingdom in particular.

It is also worth spending a minute or two recapping how we came to this position. For many years, people referred to the great Celtic tiger that was the Irish Republic's economy, and that includes those now in government, as has been pointed out. Those who raised issues about the way in which that economy was lauded were criticised as being driven by petty political considerations and told that their criticisms were not justified. There were those of us who pointed out that there were domestic issues to do with the great concentration on property. However, a recent editorial in *The Guardian* summed up the position well:

"Politicians kept consumer demand buoyant with generous public spending, while rewarding developer friends with public works contracts. Ireland's narrow elite ran the economy like a casino and awarded itself free chips. No one, save a few lonely economists, had much incentive to call time on the party. By 2007, around one in five Irish jobs depended in some way on the property market."

The international mistake was to join the euro. Of course the problems are not entirely down to that, but the economic tools that could have helped to control some of the economic excesses, and some of the issues that arose as a result of the bursting of the property bubble, were not available to the Irish Republic as a result of its membership of the euro. Those tools include devaluation and the ability to cut interest rates. So when the crisis came, the Republic was virtually powerless to do anything in that context. That is well known.

We in Northern Ireland have had our disputes with the Irish Republic, but relations are now much better than they used to be, and we do not take any satisfaction from the crisis that has enveloped it. Someone asked where the Irish Republic stood in relation to recent debates on Europe. People will remind us in this House of the Irish Republic's attitude during the long years of terrorist activity in Northern Ireland, when the Republic became a safe haven for terrorists and refused to extradite wanted criminals to Northern Ireland for justice. Some of our constituents are now saying, "Why should we help them now that they are in this situation?" They also remember the Irish Republic's role in the formation of the IRA, back in 1969. They say, "We see all these inquiries, but what are we doing about that?" That is understandable, because lives were lost and families were bereaved as a result of the activities of Governments of all shades and opinions in the Irish Republic. All of them played a role, whether Fine Gael, Fianna Fáil, Labour or the rest of them.

Having said all that, we recognise that the Irish Republic needs to receive this loan at this critical time, for the reasons that have been set out. Two of the banks are owned by the Irish Republic and are active in Northern Ireland, and a quarter of all the personal accounts of people in Northern Ireland are in those banks. We have also heard about the exposure of British banks to Irish Banks, as well as the wider trade issues, given that 40% of trade in Northern Ireland is carried out with the Irish Republic. All of that means that, if the situation were to deteriorate even further, we would be in a very difficult situation in Northern Ireland. On balance, therefore, we will not vote against the Government, and we have made it clear that we support the Bill.

There are wider issues relating to the implications of the bail-out of other countries, which we shall discuss in Committee. On corporation tax, the Irish Republic should of course have the right to set its own tax rates; that is not the argument. The argument is that Northern Ireland is at a competitive disadvantage as a result of the lower rate in the Republic, because of the land border. The Irish Republic is our greatest competitor for foreign direct investment. For us to get the equivalent benefit, we are told that we would have to take a further cut in public expenditure of £310 million. In these circumstances, when a subsidy loan is being provided to the Irish Republic, the case for Northern Ireland should be looked at. Why should we be hit immediately with that cut when the Republic will be given years to pay back its loan, giving it a competitive advantage?

3.28 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the right hon. Member for Belfast North (Mr Dodds). He made many powerful points, especially his last one. I note that the Bill is called the Loans to Ireland Bill, not the Loans to the Irish Republic Bill. I wonder whether the Government have had some foresight, and whether some of the loans will actually be provided to Northern Ireland, to help to reduce corporation tax there. Perhaps there is some hope in that regard.

I want to start by saying that we have an excellent Chancellor of the Exchequer and a first-class Treasury team, including my hon. Friend the Financial Secretary, who has the misfortune to be at the Dispatch Box to listen to my remarks. On this particular issue, however, I think that they have got it wrong for a number of reasons. Everyone in the House wants to see the Irish Republic prosper, but the question is: which is the best way to help it? Its problem is that it is part of the euro. Government Members have always argued that the United Kingdom should not be part of the euro, because it cannot possibly work. It is not possible to have one fixed interest rate and one fixed currency covering a number of different countries. What we are witnessing is a crisis in which that problem has come to light.

If Ireland were not part of the eurozone—if it had its own currency—it could change its interest rate, but more importantly, its currency could depreciate, which would make it more expensive for exports to come into Ireland and cheaper for exports to go out. It is a market mechanism for self-righting an economic collapse, and because Ireland is part of the eurozone, it cannot do that.

I take the view that in the next few months the euro will collapse. It will not just be Ireland and Greece; it will be Spain, Portugal and possibly Italy. At that stage, it will be necessary to abandon the euro entirely or have two eurozones. If I am right in that assumption, it is a mistake to give £3.25 billion to the Irish at a time when it will do no good at all and that money will never be repaid. If we were paving the way for the Irish to have their own currency again, which would be part of the sterling area, we would be more of a help to Ireland. My argument is that we are sending the money in the wrong direction.

The second issue we have—to be fair to the shadow Chancellor, I think he was on to it—is that we do not know how the figure has been arrived at. Nobody has explained—at least, I have not heard anyone do so—why we have settled on £3.25 billion, but I think the Chancellor

[Mr Peter Bone]

was arguing that that is the sort of amount we would have had to provide through the European financial stability facility if we had been part of the eurozone. Well, we are not part of the eurozone, so why should we be contributing to something that eurozone countries should be providing on their own?

Sajid Javid: Is my hon. Friend aware that recently the Prime Minister of Luxembourg made a proposal that the EU should issue EU-wide bonds, and does he agree that Britain should have nothing to do with such a proposal?

Mr Bone: Of course; I thank my hon. Friend for raising that.

I disagreed with the shadow Chancellor when he said that there were two extremes. One was to have a unified eurozone with central controls over taxation and spending. It is one option, and I accept that such a model would work, but I reject it completely. However, no one can pretend that the current system will ever work. We would just end up putting billions and billions more pounds into a system that will eventually collapse, and, in my view, that will happen earlier rather than later.

Let me return to how the €85 billion package is made up. We have €17.7 billion from the facility and €22.5 billion from the mechanism. The mechanism was designed for natural emergencies; it was never designed for this purpose, and yet we are taking more out of the mechanism, which has a total pot of €60 billion, than out of the one that has €440 billion. Why? The simple answer is that the United Kingdom has to contribute to the mechanism, but we do not contribute to the facility because it is all eurozone money. In my view we do not need to make this £3.25 billion loan; it should come entirely from the €440 billion that is available for exactly this reason. That is why the facility was set up.

I also did not follow the Chancellor's argument when he said that because of qualified majority voting, we would not have voted against the use of the mechanism because we would have been overruled. I have to say to him that on a number of occasions I have voted on measures on which I know I will not win, but it does not mean that one should not vote that way; one should vote as one sees fit. I think on that small point the Chancellor has also made a mistake.

Many hon. Members will refer to the man on the Clapham omnibus, but in my case it is the man on the Wellingborough 46 bus, and such people make the following very simple point. My county council has announced that it will fire all its lollipop ladies and close a number of libraries, and those people say to me, "If we're having to do that because we're not allowed to increase the national debt, how on earth can you provide £3.25 billion to a country that is in the eurozone?" It is very difficult for me to give an answer. In fact, the answer I give is, "We shouldn't be doing it."

If the House divides on the Government's proposal, I will, reluctantly, have to vote against it, not because I think the Government's aim is wrong—because, yes, we want to have a prosperous Ireland—but because of the way this is being done and the way it is being funded. Nobody is suggesting that because we trade a lot with the United States of America, if there were a crisis there, we would suddenly lend it money. Ireland is a grown-up country. It decided to become part of the euro. The problem lies in the eurozone, and it should sort this out, not us.

3.36 pm

Dr Alasdair McDonnell (Belfast South) (SDLP): I congratulate the Chancellor on the proposal, which I fully support. It is my understanding that this step is being taken because there was a potential domino effect, in that any damage in the Irish Republic could have led to further damage to British banks that operate there and to damage to the Northern Ireland economy, and that in turn would have had a very significant effect on the British economy and British interests. I therefore see this as a generous move, but also a move of enlightened self-interest.

The Irish economy is in its current situation because it had a banking crisis, not an economic crisis. The underlying economy is sound; the potential for growth exists, and that growth will come forward. The pharmaceuticals and other major industries in the south of Ireland are thriving. The economy is expected to stabilise this year and to begin to expand at between 2.5 and 3% in the period 2011-14. The package of measures that is in place is required in order to restore the public finances and banking liquidity by 2014. The Irish Government have rapidly moved to curtail expenditure dramatically and to raise revenue themselves. The adjustment is expected to bring the economy back into balance within four or five years.

Ireland is a small open economy in which long-term sustainable growth depends on healthy international trading, and the conditions for export-led growth are in place: good infrastructure, high-quality human capital, a favourable taxation environment and available credit for viable businesses. The national recovery plan has been put in place, and it is tough and will be difficult. Export-led growth will foster recovery in domestic trading sectors. The growth in GDP is expected to bring unemployment down fairly rapidly, and certainly well below 10% within two to three years. The balance of payments will return to surplus in 2011, so Ireland will be earning its way out of the difficulty that it is in within the next 12 months.

Some Members have referred to Ireland's membership of the eurozone as a major difficulty, but I do not agree. It is a handicap, but it is not as massive a disadvantage as some claim. Ireland's membership of the eurozone obliges it to adhere to stability and growth rules and to bring the general Government deficit to below 3%. The Irish Budget contained a very tough package. Initially, the 2010 Budget presumed an adjustment of about €7.5 billion over a four-year period. With hindsight, we know that the figure proved to be almost double that—some €15 billion—as we crept towards the year end. Two thirds of that is coming out of budgetary adjustment achieved through reduced expenditure, and a third out of taxation. However, by 2014, Irish expenditure will be back to 2007 levels. Total Government expenditure as a percentage of GDP will be reduced from 49% to 36% in the next three years.

Mrs Main: I heard what the hon. Gentleman said earlier in his speech about why we should support southern Ireland, but I am struggling somewhat with

his non-condemnation of membership of the eurozone. The euro seems to be a large part of the problems, but he seems to have glossed over that fact.

Dr McDonnell: Some of us see the euro as a problem and some of us do not. Being in the euro has been an advantage to Ireland for many years. It has become a handicap at present because of the restrictions and constraints, but the eurozone works and has worked very well for many years. In the present crisis it has its handicaps and limitations. Some people are predicting that the eurozone will collapse shortly; I do not accept that, and that is not the view of everybody.

The point I am trying to make is that Ireland's underlying economy is healthy. Its membership of and involvement in the eurozone is healthy, and in the long-term it will come round and sort itself out. Ireland has a financial crisis—a banking crisis—that was brought about largely by a property bubble and a lack of liquidity, rather than a flaw in the underlying economy. I want to assure people that the money will be paid, in my opinion and assessment, and that in due course—

Mark Durkan: I thank my hon. Friend for giving way. Lessons will have to be learned, not so much about the euro per se but about the performance of the European Central Bank. There is a serious question to be asked about its insistence on low interest rates for a sustained period. That helped to feed the property bubble in Ireland, despite the valiant efforts of the then Finance Minister to find other ways of getting out of the economy the money that was fuelling the property bubble, such as paying off the national debt, putting big money into the national pensions reserve fund and introducing special savings investment accounts.

Dr McDonnell: I thank my hon. Friend, who puts it better than I could have done.

I want to come on to why international intervention was needed. Ireland did its best at an internal level. It is a small country in a very tough global marketplace, and it did its best to resolve both the banking and the deficit situations internally. However, the interdependence of the modern world, Ireland's membership of the eurozone and large market movements put some of the solutions beyond internal domestic management. Indeed, as we all know, both the European Union and the eurozone are themselves facing fundamental challenges in devising a fair and equitable response to the financial crisis in other countries.

However, although the domestic measures in Ireland did not prove sufficient, that does not mean they were not necessary. Ireland did its best to solve the situation internally, and only in the end, when nothing more could be done internally, did it resort to international help.

There are major north-south implications within the island of Ireland. All of us in the island of Ireland remain convinced that north-south co-operation is a central element of the push for economic recovery—not just within the Irish Republic but within the north. Indeed, the Prime Minister referred to such matters at Question Time. Despite the difficulties, the Irish Government have maintained some €110 million of investment in the north in various things, including major infrastructure projects of importance to both the north and the south. I am referring to roads and other aspects that are central. All that is important, and works. For the future prosperity of the island economy it is essential to build on the peace that we have achieved and to create the economic opportunities for a new generation.

I wish simply to restate a number of points about the UK's interest. The UK is strong and robust, as we have discussed in relation to trade and all the rest. Ireland, a small country, accounts for 5% of Britain's total exports. We are told that the UK exports more to Ireland than to Brazil, Russia, India and China put together. Allowing that to collapse would have an immediate impact on this country. The two economies are particularly linked in Northern Ireland, with two fifths of Northern Ireland's economy dependent on the Irish Republic. Just as the two economies are linked, the two banking sectors are linked. As other hon. Members have said, the two main southern Irish banks are very active in the north, and to some extent in Britain; they also issue sterling banknotes, so that all has an implication for the whole banking sector. If this banking liquidity crisis had not been sorted out, we could have ended up with 25% or 30% unemployment, not just in southern Ireland, but in the north.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I now have to announce the result of a Division deferred from a previous day. On the question relating to animal welfare, the Ayes were 304 and the Noes were 221, so the Ayes have it.

[The Division list is published at the end of today's debates.]

We have about 15 minutes available and three more speakers to fit in. I would like to ensure that all three have the chance to speak, so I ask you to divide the time up, because the speeches from the Front Benches will begin at 4 o'clock.

3.47 pm

David Rutley (Macclesfield) (Con): As I watched a few minutes of the film "The Perfect Storm" recently, I could not help but reflect on the economic challenges encircling Ireland. The film buffs in the House today will recall how George Clooney tried his best to get his fishermen back to base through a once-in-a-generation storm, created by the coming together of three much smaller but still deadly storms. Just as in that story, we are seeing a clear convergence, and it is of economic crises engulfing the emerald isle. As we have heard, that confluence has far-reaching economic implications, not only for Ireland but for our trading partners in the eurozone and, as a result and most importantly, for the UK economy. That is why the Government are absolutely right to take this specific action in this specific situation to help steer us to a departure from that film's finale and underpin a much more sustainable future for the Irish economy.

That is why it is important to reflect on some of the factors that have created this crisis, on why helping Ireland is so important to our national interest at that this point in time, and on why we are left with no option other than to make this bilateral loan to Ireland. We have talked about the three converging elements: the banking crisis, the sovereign debt crisis, and how

[David Rutley]

the complicating factor of Ireland's membership of the euro is exacerbating those issues. The credit crunch cruelly revealed the extent to which the Irish banks had overextended themselves, and the fact that they were no longer able to access funding on the open market. As a result, the European Central Bank had to step in. The Irish Government had sought to guarantee all the bank liabilities, and the €440 billion promise that they had put in place was twice the size of the Irish gross domestic product. Those losses brought about a complete loss of confidence in the markets, and finally the Government had no choice but to face up to a looming sovereign debt crisis and seek international assistance.

Joining the euro did not, in itself, cause the challenges that Ireland faces, but it exacerbated them; that is where I disagree with the hon. Member for Belfast South (Dr McDonnell). When the banks binge-borrowed on the back of lower interest rates, it created all sorts of problems that could not have arisen had the punt still been in place. Now, sadly, Ireland's euro membership is acting as a straitjacket. Independent monetary policy and exchange rate flexibility are not an option; they are not available to help Ireland navigate its way out of this terrible crisis.

I am a confirmed Eurosceptic, and my mother happens to be Danish, so I am proud that when this country worked hard to save sterling, others with more Viking blood than me stepped forward to ensure that they kept their kroner—and quite right too. It is also important to note that both Denmark and Sweden will join the UK in offering loans to Ireland in this unique situation—loans of, I think, €1 billion, or £850 million in proper money.

Despite Ireland's recent history and my views on the euro, I believe that in these unique circumstances the Chancellor is right to extend the bilateral loan to Ireland. The reason is simple: if the Irish storm gathers more momentum it will have major implications not just for the people of Ireland but for all of us in the United Kingdom.

We should help our neighbour in need, and it is in our national interest to do so. The recent Office for Budget Responsibility report underlined the strong contribution that will be required from net trade to help get us out of the crisis that we ourselves face. We have talked about the size of the UK's exports to Ireland, but the report goes on to say:

"If recent events significantly reduced Irish demand for UK exports there would be a material impact on UK export growth."

There is no question about that.

Furthermore, we must take the steps to protect UK banks. Again, the OBR estimates that the exposure runs at £82 billion, £4.6 billion of which is exposed in the Irish sovereign debt. In its November report, it states that its estimate of the direct net cost or benefit to the taxpayer of the Government's interventions in the UK banking sector may be affected by the exposure of UK banks to Irish liabilities. There is a clear and important reason for us to take this step forward and mitigate the risk, as well as mitigating the risk of contagion. Given the lack of time available, I simply want to stress my belief that it is vital to support the Government in taking these steps.

3.52 pm

Mark Reckless (Rochester and Strood) (Con): The package is described as a bail-out of Ireland, but it is important that we recognise that Ireland has not asked for the bail-out and that it is not the package that the Irish would have wished. Ireland and the IMF proposed to write down bank senior debt—that is, default on an element of that debt—because they recognised that it would be very difficult, although not impossible, for Ireland to pay back its vast amount of debt. It is not clear to me that adding another €67.5 billion to those debts and subordinating the previous debts to that will help Ireland out of this crisis.

Let us consider why Ireland was pushed into the crisis. The European Central Bank threatened to withdraw finance for the Irish banks. The ECB had extended €130 billion at a 1% interest rate in temporary liquidity support to the Irish banking sector—a courageous and rather risky thing for it to have done. It would prefer that credit to be refinanced on a longer term basis and at a higher interest rate. If the eurozone wishes to do that, that is a matter for it to agree.

What is not clear is what interest we, or indeed Ireland, have in refinancing that eurozone debt into an EU-wide debt. We must consider the funding costs. My right hon. Friend the Chancellor has the proud achievement, for which he deserves significant credit, of reducing the long-term costs of borrowing in the UK. Unfortunately, that has gone into reverse over the last three weeks or so. When he came in, we did not give money to the Greek bail-out. We had a rescue package with €440 billion loans and only €60 billion of the dubious EU facility. Unfortunately, that is now being confused.

My hon. Friend the Member for Clacton (Mr Carswell) recognised back in May that this was the beginning of a European debt union, but it was only when I saw how the package was denominated that I began to share that view. Unfortunately, it is rebounding on our credit. The EU puts in €22.5 billion, the eurozone puts in €17 billion and we put in €3.5 billion or so. Rather than this appearing to be a bilateral arrangement that we have properly agreed, because it is in the interests of these islands, and that has been negotiated between the UK and the Republic, we give the markets the impression that we are being sucked into a wider EU package and those markets worry that we will do the same for Portugal or Spain. We have seen the back-up in interest rates in the past few weeks, but I ask the Treasury Front-Bench team to make it as clear as they can that this is a one-off involving Ireland. By doing that, we could at least potentially protect our credit from some of the assumptions that the market has built up in the past few weeks.

On Europe, I commissioned an opinion poll last month of 1,000 representative people in the Republic, and more than a third of that sample said that they would like to leave the euro and return to sterling. The Chancellor says that "I told you so" is not a policy and of course he is right, but he needs to recognise that there is a policy implication that we should not make the same mistake again. I shared with my right hon. Friends the Chancellor and the Foreign Secretary, back in 1998, analysis of what had been happening in Ireland—how bank lending was out of control and how there was going to be a most extraordinary boom and bust that would serve as a vivid lesson to this country. I also

shared that analysis with Bertie Ahern, prior to his becoming Taoiseach. Like the Chancellor, he said he understood the analysis and that we might be right, but he wanted to join the euro for political reasons. We saw the impact of that decision in Donegal three weeks ago, where the successor seat of my grandfather, who was the Fianna Fail Member for that area, has now been taken by Sinn Fein.

This is Ireland's decision, but I hope, in its interests and ours, that we will work together much more closely than we have been. There have been improvements in relations since the Prime Minister's comments about the Bloody Sunday inquiry and, given what the right hon. Member for Belfast North (Mr Dodds) has said and given his very positive and supportive attitude, I believe we should work with Ireland on a bilateral basis to try to put things right and get a long-term sustainable solution for it and us that is better than the Carolingian settlement that is being imposed by the eurozone and the European Union on an Ireland that deserves better.

Mr Deputy Speaker (Mr Lindsay Hoyle): The hon. Member for Kettering (Mr Hollobone) has three minutes, as we must finish at 4 o'clock.

3.57 pm

Mr Philip Hollobone (Kettering) (Con): I shall vote against the Second Reading of the Bill, I shall oppose the money resolution and I shall do my best to amend the Bill should it reach Committee because I think it is bad for the House.

What we are not talking about in this debate is whether we should lend money to Ireland or not. Instead, we are talking about whether we should double our loan to Ireland. Whether or not the Bill is passed today, this country will be lending the Republic of Ireland 3.5 billion quid, and if the Bill is passed, that loan will go up to 7 billion quid. My constituents in Kettering are saying to me, "Philip, we are having all these public sector cuts and despite the Government's best efforts the national debt is going to double over the term of the coalition Government; what on earth are you doing lending money to the Irish Republic?", and I share their view. Yes, we should play our part in the loans through the IMF, but we should not be entering into a secondary bilateral arrangement because the truth is not so much that we are lending money to the Irish Republic as that we are lending money to the European Central Bank. We are increasing our exposure to the eurozone at a time when it is in increasing crisis. Given that we decided a long time ago that we wanted nothing to do with the euro, that is a backward step.

3.59 pm

Chris Leslie (Nottingham East) (Lab/Co-op): Let me say on behalf of Her Majesty's Opposition that we welcome the debate, in which plenty of views have been expressed from different parts of the Chamber on what is an incredibly important matter. Many Members in all parts of the House—including my right hon. Friend the Member for Edinburgh South West (Mr Darling), the former Chancellor of the Exchequer, and the hon. Member for Chichester (Mr Tyrie), the Chairman of the Treasury Committee—have voiced, perfectly reasonably, their anxieties about the loan to Ireland.

Clearly these are troubled times for the world economy and for the eurozone, and we must sincerely hope that we will not find ourselves here again. The Opposition recognise that there are interdependencies between Britain and the Irish nation in respect of economic trade, direct relationships between our banks and financial investments across Ireland. Moreover, it is our only land-bordered nation state. We therefore have a duty to support the principle and spirit of the legislation, because a failing Irish economy would create harm here in the United Kingdom.

Mr Cash: Will the hon. Gentleman give way?

Chris Leslie: Very briefly.

Mr Cash: Does the hon. Gentleman agree that were there to be such a European dimension as effectively to subjugate the Bill to the jurisdiction of the European Court, he would wish that he had voted against it?

Chris Leslie: I think we shall have to take the issues as they come before us. I understand the hon. Gentleman's anxieties, but, on balance, given the choices that we face, we consider it incumbent on us, as a responsible Opposition, to support the Government on Second Reading.

Let me make a couple of points—briefly, because I am conscious of the time and the need for us to debate the amendments, not least those that I have tabled in respect of clause 2.

The events in Ireland remind us starkly of the principal facts that Ministers have, I am afraid, preferred to hide hitherto. First, the credit crunch was a worldwide, international crisis, not simply something in the United Kingdom. Secondly, the failures of banks that gambled excessively not just with our money but with the money of the Irish people and others are at the root of our present predicament.

The Chancellor of the Exchequer has done well in spinning the line that it was all the fault of my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), the former Prime Minister—that he was somehow personally responsible for single-handedly causing the credit crunch in the UK before jetting off to Washington and starting the banking collapse there, then flying to Ireland via Spain, Portugal, Greece and the rest of the developed world, spreading banking catastrophe from continent to continent. However, the Bill—perhaps uncomfortably for the Chancellor—reminds us of the ridiculousness of the coalition's revisionism, and reminds us that the rewriting of history can occur only if we believe in the gullibility of the public, as I suspect the Chancellor does. Although the Government think that may be able to fool all of the people all of the time, the truth is now overwhelmingly obvious, and proves beyond doubt that the greed of profiteering bankers has required the poor, beleaguered taxpayer, here as well as across Ireland and Europe, to bail them out of the mess that they created.

I am afraid that we heard no apology in the Chancellor's hour-long, technical speech, and no expression of regret in respect of his free-market deregulatory exaltations of the "shining example" shown by the Irish economy. Perhaps that was an error, but sadly he did not acknowledge it. We are not convinced, either, that the Chancellor stands chastened or reflective in regard to his ill-judged comments about the Irish economic miracle". Perhaps

[Chris Leslie]

even we could have expected him to have some conception of the risks posed by the simple "austerity at all costs" principle underpinning his economic policies, but that was not there either.

Fundamentally, the problem is this: if the Chancellor of the Exchequer does not understand the causes of the deficit, he is certainly not the right person to fix it. My constituents, like those of the hon. Member for Wellingborough (Mr Bone), find it difficult to understand how, given that we were supposedly on the brink of bankruptcy, we can find £3.2 billion for the Irish loan, but nothing for Sheffield Forgemasters.

Sadly, however, we must recognise that the measures before us today are a result of the fragility of the worldwide economy. We hope that, eventually, the Chancellor and the Prime Minister will step up and show a little more leadership, especially in Europe, rather than using bail-outs and loans as sticking plaster. We hope that they will pay more attention to the root causes of what is happening to the economy, and will recognise that we cannot just cross our fingers and pretend that collective austerity will do the trick in all cases. My right hon. Friend the Member for Edinburgh South West is absolutely spot on when he talks about the inadequacy of that proposition. How will the European Union regain the market's confidence in a longer-term trajectory back to stronger revenues and economies? Where are the growth strategies to build longer-term prosperity?

We have to accept, however, that the case for the loan to Ireland outweighs the case against it. There are risks that need dealing with, including the risk of contagion throughout the eurozone bond market. The ongoing crisis risks shrinking our export market potential in the long run, and as a consequence that risks creating losses for banks in the UK — banks of course that we own. So on balance and for those reasons, we do not oppose the Bill at this time, but in the time remaining we hope to scrutinise the detail in Committee.

4.5 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): This has been a good debate about the principles underlying the Bill, and I welcome the Opposition's support for it.

I am sorry that the shadow Chancellor is not in his place. He made a typical speech: a couple of jokes, a few quotations and then a shaky grasp of the facts. I shall not match him on jokes, but let me give the House a couple of quotations. He talked about the views on Ireland, but let me quote a former member of Labour's shadow Cabinet, who said:

"The whole purpose is to bring the Welsh economy up to the standards of those of other countries in Europe, so that we can follow the lead of the Irish economy and become, in a matter of 10 or 20 years, one of the most successful regional economies in Europe." [*Official Report*, 28 February 2002; Vol. 380, c. 868.]

The right hon. Member for East Ham (Stephen Timms), when he was Chief Secretary to the Treasury, said:

"The Irish economy has enjoyed a good deal of success over the past few years. The corporation tax regime has contributed to that, but there have been a number of other factors". [*Official Report, Finance Public Bill Committee*, 8 May 2007; c. 19.]

There we go: a record of Opposition Members' hymns of praise to the Irish economy.

It struck me as remarkable, however, that the shadow Chancellor did not understand the mechanisms being used to support the Irish economy. He seemed to think that the UK would bear a higher share of the bail-out costs than other European Union members, such as France and Germany, and that they do not contribute to the IMF or to the stability mechanism. Let me make it absolutely clear to the House that the UK is contributing through the IMF, the stability mechanism and a bilateral loan. Other European countries are contributing through the IMF, the stability mechanism and, if they are members of the eurozone, the stabilisation facility.

Owing to their share of the contribution to European Union funds, Germany and France are contributing more than the UK: some 27% of the contribution is through the facility. France contributes 20% through the facility, compared with our 14%. And through the mechanism, the UK's contribution is 14%, Germany's 20% and France's 17%. It is a pity that the shadow Chancellor does not understand how the package actually works. The right hon. Gentleman also seemed to deny that the euro made any contribution to the crisis facing Ireland. However, the right hon. Member for Edinburgh South West (Mr Darling), who made a very thoughtful speech about the challenges facing the European Union, punctured his view that the euro had nothing to do with it.

My hon. Friend the Member for Chichester (Mr Tyrie) asked whether we considered buying bank assets. We have in place an agreement by the Irish Government to repay our loan in full, but that could not have been guaranteed if we had sought to buy individual assets of Irish banks. He also asked whether Ireland could repay early without a penalty, and the answer is yes, but the Irish Government would have to make break payments.

The right hon. Member for Belfast North (Mr Dodds) and the hon. Member for Belfast South (Dr McDonnell) talked about the impact on the Northern Ireland economy of what is happening south of the border, and we recognise that. We recognise also that more work needs to be done to strengthen the Northern Irish economy, which is why we are in discussions with the Northern Ireland Office about the issues to do with enabling the Executive to set their own corporation tax rate. There is another part to that deal, however, because, if they have that power, they will need to bear the risk with the revenue and see a reduction in their block grant.

A number of hon. Members, including my hon. Friends the Members for Wellingborough (Mr Bone) and for Kettering (Mr Hollobone) and the hon. Member for Nottingham East (Chris Leslie), asked how we can afford to do this, given the fiscal position that we are in. Let me make it clear that we are not paying for the loan out of revenue or capital expenditure; we are going to borrow the money. The measure will not lead to a reduction in the money we can spend in my constituency or theirs. In fact, as my right hon. Friend the Chancellor said, we will end up making a small profit on the loan because of interest rate differentials. The loan will not affect how much can be spent in our constituencies, and if that is the only reason hon. Members are opposing the measure, I ask them to think again.

Mr Bone: I entirely agree with what my hon. Friend is saying. However, the measure will increase our debt, which is something we are trying to get down. In addition, his comments are based on the assumption that the loan will eventually be repaid.

Mr Hoban: The debt is matched by an asset, which is the amount we expect to get from Ireland, and it does not impact on our deficit. We will actually make a return on the interest that will be paid.

Let me deal with three very brief points. First, there is no expectation that we will have to make further loans to Ireland in the future. Secondly, there is no reason to presume that full repayment will not be met over the term of the loan. Thirdly, ensuring Ireland's stability is overwhelmingly in our national interest. That is why we are making the loan and this exception for Ireland. It is in our economy's interests to ensure that the Irish economy is stable and we need to do all that we can to deliver that.

Question put. That the Bill be now read a Second time.

The House divided: Ayes 523, Noes 7.

Division No. 159] **[4.11 pm**

AYES

Abbott, Ms Diane
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Austin, Ian
Bacon, Mr Richard
Bagshawe, Ms Louise
Bailey, Mr Adrian
Bain, Mr William
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Balls, rh Ed
Banks, Gordon
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barron, rh Mr Kevin
Barwell, Gavin
Bayley, Hugh
Bebb, Guto
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bellingham, Mr Henry
Benn, rh Hilary
Benton, Mr Joe
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Bradshaw, rh Mr Ben
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Bridgen, Andrew
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burley, Mr Aidan
Burnham, rh Andy
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Byrne, rh Mr Liam
Cairns, Alun
Cairns, David
Campbell, rh Sir Menzies
Campbell, Mr Ronnie
Carmichael, Mr Alistair
Carmichael, Neil
Chapman, Mrs Jenny
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Kenneth
Clarke, rh Mr Tom
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crabb, Stephen
Crausby, Mr David
Creasy, Dr Stella
Crockart, Mike
Crouch, Tracey
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davey, Mr Edward
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
De Piero, Gloria
Denham, rh Mr John
Djanogly, Mr Jonathan
Dobbin, Jim
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Doran, Mr Frank
Dorrell, rh Mr Stephen
Dorries, Nadine
Dowd, Jim
Doyle, Gemma
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Dugher, Michael
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellison, Jane
Ellman, Mrs Louise
Ellwood, Mr Tobias
Elphicke, Charlie
Esterson, Bill
Eustice, George
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, rh Mr Frank
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Foster, Mr Don
Fovargue, Yvonne
Fox, rh Dr Liam
Francis, Dr Hywel
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Gilmore, Sheila
Glass, Pat
Glen, John
Glindon, Mrs Mary
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Green, Kate
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hamilton, Mr David
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Hanson, rh Mr David
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Havard, Mr Dai
Hayes, Mr John
Heald, Mr Oliver
Healey, rh John
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Hepburn, Mr Stephen
Herbert, rh Nick
Hermon, Lady
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hoban, Mr Mark
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Hood, Mr Jim
Hopkins, Kris
Hosie, Stewart
Howarth, rh Mr George
Howell, John

Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunt, Tristram
Hunter, Mark
Huppert, Dr Julian
Irranca-Davies, Huw
Jackson, Mr Stewart
James, Margot
James, Mrs Siân C.
Jamieson, Cathy
Javid, Sajid
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kawczynski, Daniel
Kelly, Chris
Kendall, Liz
Khan, rh Sadiq
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Latham, Pauline
Lavery, Ian
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Leslie, Chris
Lewis, Mr Ivan
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, Mr Elfyn
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Main, Mrs Anne
Marsden, Mr Gordon
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McCartney, Karl
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McIntosh, Miss Anne
McKechin, Ann
McKinnell, Catherine
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Moore, rh Michael
Mordaunt, Penny
Morden, Jessica
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, David
Morris, Grahame M. *(Easington)*
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Murray, Sheryll
Murrison, Dr Andrew
Nash, Pamela
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Donnell, Fiona
Offord, Mr Matthew
Ollerenshaw, Eric
Onwurah, Chi
Opperman, Guy
Osborne, rh Mr George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Pearce, Teresa
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Phillipson, Bridget
Pincher, Christopher
Poulter, Dr Daniel
Pound, Stephen
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Raynsford, rh Mr Nick
Rees-Mogg, Jacob
Reevell, Simon
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Rifkind, rh Sir Malcolm
Riordan, Mrs Linda
Robathan, Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Rudd, Amber
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Sarwar, Anas
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Sharma, Mr Virendra
Shelbrooke, Alec
Sheridan, Jim
Shuker, Gavin
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Soulsby, Sir Peter
Spellar, rh Mr John
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Straw, rh Mr Jack
Streeter, Mr Gary
Stride, Mel
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Trickett, Jon
Truss, Elizabeth
Turner, Karl
Twigg, Stephen
Tyrie, Mr Andrew
Umunna, Mr Chuka
Uppal, Paul
Vaz, Valerie
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Watson, Mr Tom
Watts, Mr Dave
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittaker, Craig
Whittingdale, Mr John
Wicks, rh Malcolm
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Mr Rob
Winterton, rh Ms Rosie
Wishart, Pete
Wollaston, Dr Sarah
Wright, David
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Shailesh Vara and Miss Chloe Smith

NOES

Chope, Mr Christopher	Skinner, Mr Dennis
Davies, Philip	Turner, Mr Andrew
Hoey, Kate	**Tellers for the Noes:**
Lewis, Dr Julian	**Mr Peter Bone and**
Nuttall, Mr David	**Mr Philip Hollobone**

Question accordingly agreed to.

Bill read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Further proceedings on the Bill postponed (Order, this day).

Joan Walley (Stoke-on-Trent North) (Lab): On a point of order, Mr Deputy Speaker. Given that the Secretary of State for Energy and Climate Change has made an announcement this afternoon in respect of fuel poverty and the Warm Front scheme, saying that it is fully allocated, may I ask whether there has been any request from a Minister to make an oral statement to the House? Many people will be concerned about the cold weather and the urgency of having work done, and they will be fearful that that work cannot be completed before 31 March.

Mr Deputy Speaker (Mr Lindsay Hoyle): As the hon. Lady is aware, that is not a point of order for me, but I am sure that the message is getting through to the Secretary of State as we speak. There are other channels that she may wish to use.

LOANS TO IRELAND BILL (MONEY)

Queen's Recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Loans to Ireland Bill, it is expedient to authorise

(1) the payment out of money provided by Parliament of any sums required by the Treasury for the purpose of the making of loans to Ireland by the United Kingdom; and

(2) the payment of sums into the Consolidated Fund. *(Mr Hoban.)*

Question agreed to.

Loans to Ireland Bill

Proceedings resumed (Order, this day).

Considered in Committee (Order, this day).

[Mr Lindsay Hoyle *in the Chair*]

Clause 1

United Kingdom loans to Ireland

4.28 pm

Mr Cash: I beg to move amendment 3, page 1, line 4, at end insert

'other than a loan by virtue of any provision by or under the European Communities Act 1972'.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 7, page 1, line 7, at end insert

'(3A) Any loans made under this Act, and any repayment of principal or payment of interest received thereunder, shall be denominated in sterling.'.

Amendment 4, page 1, leave out lines 8 to 18.

Amendment 6, page 1, line 18, at end insert

'(7A) Before determining the interest to be charged on any payments under this Act, the Treasury must specify the rate of interest by order; and the Treasury may not make such an order unless

(a) the House of Commons has determined by resolution the rate of interest to be charged; and

(b) the order provides for that specified rate to be charged.'.

Amendment 8, page 1, line 20, at end insert

'(8A) All loans made under this Act shall be repaid by 8 December 2040.'.

Amendment 10, page 1, line 20, at end insert

'(8A) Before any loan or binding offer of a loan is made, or guarantee given, under this section, the relevant agreement must be laid before, and approved by a resolution of, the House of Commons.'.

Clause stand part.

Mr Cash: I have just abstained on Second Reading for one simple reason. I had intended to vote for it, but I remain gravely dissatisfied by the answer that I received from the Chancellor regarding the increase in the amount specified in clause 1. I do not want in any way to misrepresent what he said, but as I understood it, it was that that was all right because it was about exchange rates. However, anybody who examines clause 1 carefully will notice that subsection (4) states:

"The Treasury may by order made by statutory instrument substitute a greater amount for the amount for the time being specified in subsection (3)".

which is £3.25 billion.

The next two provisions simply determine whether any increase will be subject to affirmative or negative resolution. An order would be made under the negative resolution only if the increase is to do with exchange rates, but I can see nothing to say that an increase under subsection (4) would be affected by subsequent provisions. I was bound to take great exception to that. It is a serious matter, because we simply do not know what the greater amount

[Mr Cash]

would be. We are totally exposed, subject only to affirmative resolution, which cannot be amended. Such a measure would simply go through on a whipped vote, just as the rest of the Bill doubtless will. That is why I abstained on Second Reading.

Amendment 3 addresses the definition of "Irish loan". I was staggered when I looked carefully at the Bill, because clause 1(2) states that "Irish loan" means simply

"a loan to Ireland by the United Kingdom."

The background is the recent debates on economic governance, and the origins of the European financial stability mechanism and the alternative eurozone facility, which as someone pointed out is as much as €440 billion, which is easily enough to cope with the Irish situation. There is a very close interconnect at all points between the so-called bilateral loan proposed in the Bill and the mechanism that I described.

The difficulty is that there is an overall determination to do as much as possible by way of integrating with Europe when it is quite obvious to anybody that this is the time for us not only to step back, but to desegregate from the European venture. I believe very strongly that the technique that is consistently employed in all spheres of activity is to say, "We don't like what goes on in the EU, but we can just go along with it. Alternatively, to satisfy the Eurosceptics or Eurorealists, as they prefer to be called, we can make parallel arrangements along the lines of what we would have done if we were in the eurozone."

The research paper helpfully supplied by the Library states:

"It is worth noting that the bilateral element"

assuming that that is what the Bill is

"of the UK's support is broadly equivalent to what the UK would have provided if it were part of the eurozone-only EFSF."

In other words, we would have provided the loan anyway. The Minister may well say that that is not his intention, but that is what Library researchers believe, and they are often right.

Mr Redwood: A portion of the total loan package is contingent money for Irish banks—they may or may not need it. Is my hon. Friend worried that they could come back for even more, and that clause 1(4) could allow an extension of our loan for Irish banks?

Mr Cash: Yes I am. Treasury civil servants are exceedingly clever and may know of pitfalls, but they might not fully explain them to Ministers. Of course, the Minister takes ultimate responsibility, but the question is: what is the effect on the daily lives of the people whom we represent? That is the issue on which we have to concentrate.

Under the circumstances, I am extremely dubious about the way in which the whole thing has been put together. In particular, I would mention what I will call the mechanism, as compared with the facility. I had an exchange earlier about the mechanism with the former Chancellor of the Exchequer, the right hon. Member for Edinburgh South West (Mr Darling), who said, "This is all going to be done by qualified majority voting." However, that is not the case. Within the mechanism as it is set out, the request comes from the member state; it is only the final arrangement that requires qualified majority voting. Indeed, the EU sent in the European Central Bank and the International Monetary Fund in flagrant contradiction of the provisions of article 3 of the regulation in question.

In fact, the EU was operating the provision as if it were already law, when it was not. That it is typical of the European Union. It keeps on telling us about the rule of law, but when it suits, it completely ignores the law. What happened was unlawful. I also believe that it was unlawful in respect of article 122, which was the legal basis used to create the mechanism. I do not need to go into detail, but article 122 concerns natural disasters, energy supply and things of that kind. Anyone who looks at article 3, article 122 and the other provisions that they mention would reasonably conclude that they should not be used for the purposes of sorting out an unmitigated mess that was created by banks, as well as by the Government of Ireland and other parts of the European Union. Therefore, I am afraid that the answer that I received from the former Chancellor—that there really was no alternative to what was done, because such decisions are reached by qualified majority voting—does not stack up. If what happened was unlawful, it should have been resisted and, because of the consequences, it should, if necessary, have been taken to the European Court.

Mr Redwood: My hon. Friend has great legal expertise. I understand that the European Union is trying to negotiate an amendment to article 122 of the treaty in order to put the matter beyond doubt. Would that be retrospective, or could that undermine the current position?

Mr Cash: That is a very good question. I doubt very much whether an attempt to make the provision retrospective would remedy the mischief.

I am afraid that the question of illegality taints the Government's position as well, and I shall explain why—the Minister will know all the detail, because I think that he was the Minister responsible. There is provision for the European Scrutiny Committee under Standing Order No. 143 regarding scrutiny and scrutiny reserves. It so happens that the European Scrutiny Committee was not set up until November—a few weeks ago. However, I have here a table setting out the dates that shows that the date of deposit was 25 May 2010. The decision was taken on 9 May at ECOFIN, which happened to be 48 hours before the coalition was pushed through. In the case of ECOFIN's decision on the financial stability mechanism, the table states unequivocally that there was an override of both the European Scrutiny Committee and the Lords. On both counts, the then Government and the current Government breached the scrutiny arrangements. Indeed, it is quite extraordinary that the explanatory memorandum that accompanies the documents in question, and which should have been presented much earlier, was presented on 15 July. I know that the Minister will not dispute that, because it comes from Government documents. There is a serious worry about the manner in which this matter has been manipulated.

Just before the proceedings began, we were presented with another document, which reinforces my concern. If my amendment 3 were accepted, the Bill would read: "In this Act, 'Irish loan' means a loan to Ireland by the United Kingdom other than a loan by virtue of any provision by or under the European Communities

Act 1972." I am very familiar with the way in which interweaving goes on, not only as Chairman of the European Scrutiny Committee but because, for the past 26 years, I have watched this process of integration and the manner in which, by extremely clever and adroit manoeuvring, we get further and further integrated into these arrangements. The mechanism is an open-ended invitation until 2013, as I ascertained during an exchange with the Chancellor of the Exchequer. Until 2013, we are stuck with the present arrangements.

I am sometimes a bit of a Cassandra, in that I make prophecies—more like predictions—about certain events, find out that I was right and then find out that nobody took any notice until they had happened. On this occasion, I am going to say that it is extremely likely that, if Portugal gets into really deep trouble—and perhaps Spain, too—that will happen before 2013. If this greater amount is interwoven into the stabilisation mechanism, or even if it is not, the mechanism itself will entrap us in the arrangements which, although not yet permanent, will go on until 2013.

I also think that the Government are struggling a bit in relation to article 122, under which this measure was introduced—unlawfully, in my opinion—because the Commissioner responsible, a Mr Sefcovic, has stated that the Commission is still considering whether to use article 136 or article 122. Against that background, the Van Rompuy Committee is sitting and might already have concluded that it would be appropriate to have a permanent mechanism in place only under article 136, and therefore only by reference to the eurozone. That would be a plus, but it would not alter the fact that, between now and 2013, we are at risk.

I am concerned about the deficient wording in clause 1(2), because not excluding what might be done under the European Union effectively leaves it open to the European Union's continuing to weave its way into the arrangements, despite the fact that they are described as a bilateral loan. Some people might say, "Ah, but you have to understand that when the explanatory notes talk about a bilateral loan, they mean that." It does not say that in the Bill, however. Furthermore, we have had some unpleasant experiences with explanatory notes in the European Scrutiny Committee recently, as anyone who wants to read the report that we have just issued will see. The explanatory notes in question were positively misleading, and distorted the legal position. That is a matter that we will be pursuing in Committee, when we ask whether parliamentary sovereignty or judicial supremacy should prevail. I do not need to go into the detail of that now, but the fact that a bilateral loan is mentioned in the explanatory notes has been severely vitiated by our experience of the explanatory notes to the European Union Bill.

4.45 pm

My concern is about the weaving—interlocking is probably a better word—of the loan that is provided for in clause 1(2) and the proposals that I have put forward, under the mechanism. Helpfully—at least I think it was helpfully—several hours ago, before the debate started, for the first time we were given a document described as "Summary of key terms: credit facility for Ireland." It says at the front:

"This document has been prepared for information purposes only in connection with Second Reading in the House of Commons...Without prejudice to the ongoing negotiations"

which might raise a few question marks—

"it contains a summary of terms agreed in principle and expected to be included in a credit agreement between Her Majesty's Treasury and Ireland."

I understand, although I am not certain, that the agreement has been signed off today, so perhaps it is now not for information purposes; it may now be a concluded deal, but I will park that one.

Part of the problem is that the arrangements described in the document set down certain conditions precedent to the efficacy of the arrangements. Specifically, the conditions precedent include

"finalisation by the Borrower"

that is Ireland—

"after consultation with the Lender"

that is the UK—

"of a restructuring plan in relation to its banking sector with the IMF, European Commission and European Central Bank."

That sounds to me positively a matter of interweaving with the mechanism, which comes within the jurisdiction of the European Union and the European Court of Justice. That is the point I want to make.

Furthermore, the document says that the information covenants

"will include, in addition to information relevant to the loans and information relating to the progress of the Borrower's economic stabilisation plan"

that is Ireland—

"copies of reports dispatched by"

Ireland—

"to the IMF, European Union or European Commission in respect of the Memoranda of Understanding."

The memoranda of understanding are also to do with arrangements within the framework of the European Union, and in that context in fact appear to be within the framework of the facility, which is the eurozone only. What we have here is a kaleidoscope of interacting, different fragments, which all ultimately seem to me to hang together.

Furthermore, the document goes on to say that the general covenants will include

"*pari passu* ranking of obligations"

a point that my hon. Friend the Member for Rochester and Strood (Mark Reckless) raised earlier—

"under the credit agreement with all other unsecured, unsubordinated obligations (recognising the seniority of"

but not different from—

"the support facilities provided by the IMF and European Financial Stability Mechanism)".

There are therefore two interacting, constantly interlocking arrangements, and I am left with the very deep worry that, in the absence of the clear wording that I have provided in my amendment, our so-called bilateral loan would effectively be part and parcel of the European jurisdiction. That is why I tabled the amendment.

Stewart Hosie: Could it not simply be the case that the UK is providing a loan to Ireland in a time of need—a country that takes 7% of our exports and whose banks provide a quarter of the banking facilities in Northern Ireland? While all this is academic and interesting for those who are interested in it, could it not simply be the case that we are providing a loan to a friend in need at an important time?

Mr Cash: I happen to agree with that, which is why I did not vote against the Bill, but I must say that this is not a matter of merely academic interest, because the consequence that I mentioned at the beginning of my speech, which led me to abstain, is that there is no restriction on the greater amount. I wait with enormous interest to hear whether the Minister will differ from the Chancellor of the Exchequer on that, but when it is an open-ended provision for a greater amount, I would like to know what that greater amount's limit would be.

In the context of the interlocking aspect to which I have just referred, I remain deeply concerned that the amount could be greater, and that this matter could get caught up in the complicated ongoing negotiations—I recognise that the Chancellor and his Ministers have had some very complicated negotiations. I remain worried about the direction in which we seem to be going, therefore. It would be so simple for the Government to give me either a direct assurance, which I would regard as a second-tier response, or a specific agreement to accept my amendment just to get me off their back. I would regard such an agreement as a useful way of dealing with the situation, but I bet I do not get that.

Mr Dodds: We will listen with interest to what the Minister has to say, but, just to be clear, is the hon. Gentleman's argument that the greater amount under clause 1(4) could be used to increase not only the amount of the loan to the Irish Republic, but interweaved with the financial stability mechanism to provide money for other countries? Is that his argument, or is it specifically about the loan to the Irish Republic?

Mr Cash: The provision appears to apply to the Irish component, but because of the implications of what I am saying and the interlocking aspects in the kaleidoscope, it is extremely difficult to work out exactly what is intended by such opaque words. What I am asking for is very modest: simply the removal of all doubt by making it clear that any such loan would be

"other than a loan by virtue of any provision by or under the European Communities Act 1972."

If all doubt were to be removed in that way, it would be the end of the story and there would be no problem, so why not do it? I look forward to the Minister's response.

Another issue arises under paragraph 6 of the summary of key terms document. The paragraph covers events of default, and sub-paragraph (h) states that one event of default will be

"the Borrower"

Ireland—

"not being or ceasing to be a member of the European Union".

Why would such a provision be wanted if it were not integral to the fact that Ireland is a member of the European Union? I do not think I need to advance the case any further as it is very simple: if we would exclude Ireland from the arrangements by virtue of its ceasing to be, or not being, a member of the EU, that must have special significance, otherwise it would not be stated. That is another exceedingly worrying feature.

Paragraph 8 refers to the governing law, and it states:

"The credit agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law."

Paragraph 9 is on enforcement, and the document's authors have clearly thought a lot about this matter, and the more they think about it the more worried I get, because they are transposing their thinking into the provisions of the Bill and this document:

"The English courts will have exclusive jurisdiction in relation to any dispute including a dispute relating to non-contractual obligations arising out of or in connection with the credit agreement."

That gets to the heart of the problem, because anything that within law is under the jurisdiction of the European Union and within the framework of the European Court under the European Communities Act 1972 cannot be excluded from that jurisdiction by such words in a document of this kind that is "for information purposes" hence our European Scrutiny Committee report on the relationship between parliamentary sovereignty and the judiciary. Therefore, merely writing in such a document that something will be governed by English law and that the English courts will have exclusive jurisdiction in relation to any dispute is not worth the paper it is written on.

If it is within the European Union legal framework, that means the European Court will get its hands on it. It may be that if there was a dispute or default or any of the other difficulties that could arise from the agreement in the Bill as enacted—as I rather suppose it will be—that will in no way alter the fact that ultimately, as long as parliamentary sovereignty prevails in the light of the European Communities Act, the Supreme Court will not prevent it from falling within the framework of the European Court of Justice.

Of course, it would be open to any future parliamentary Bill to try to unravel the arrangement, but what a pity it would be if we found that the fast-track arrangements we are experiencing today led us to the situation that I have described, simply because we were not prepared to listen to the argument that could resolve the problem by excluding the European jurisdiction. The legal advisers, the Treasury officials and the Minister may well be wrong. If they are wrong, we are in deep trouble. If they are doubtful, perhaps they could listen to those of us who have been proved right on a number of past occasions.

These are my final words—not from Cassandra, but from me. When things go wrong, it is much better to have taken advice beforehand and keep ahead of the curve, rather than allowing the curve to catch up with us.

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to follow the hon. Member for Stone (Mr Cash); I very much agree with what he has been saying. He is clearly much more erudite on these matters than me, but I understand what he is saying—that today, we are making to our closest friendly neighbour country a bilateral loan which has nothing to do with the European Union and which is not part of the panoply of EU arrangements. I am happy to go along with such an arrangement.

The right hon. Member for Wokingham (Mr Redwood) has said many times that, if there are problems in the eurozone with the eurozone, they should be sorted out by the eurozone, not by countries outside the eurozone. I agree with him very strongly. This is a country that is our closest neighbour, with which we have deep, long historical relations—very friendly relations now, we are pleased to say. Indeed, I have many Irish constituents who are concerned about their country. We are making

a friendly gesture to a neighbouring country—our nearest friendly neighbour—that happens to be in the eurozone, which we happen not to be.

We do not want to be in a situation where, if another country gets into difficulty, it says, "You made a loan to Ireland—you can make a loan to another country in the eurozone." That would not be acceptable.

Mr Hollobone: That is exactly the danger. Under the present discussions about the permanent crisis resolution mechanism, the draft conclusions of the European Council state:

"Member States whose currency is not the euro will be associated to this work."

So the danger is that this Bill could be a precedent for the "Loans to Portugal Bill", the "Loans to Spain Bill" and the "Loans to Italy Bill", which may be just round the corner.

Kelvin Hopkins: I thank the hon. Gentleman for his intervention. The amendments from the hon. Member for Stone will hopefully clarify the position and change the Bill to the way we would like it to be, so that it will not have implications for other members of the eurozone.

As I have said, however, if the Irish are to recover from their situation, they must remove themselves from the eurozone, re-create the punt, depreciate their currency and bring it into line with sterling, because we are their natural trading partners. Their economy and ours are the most closely integrated, and that is the sensible thing to do. I have said that before in this Chamber, and I have said it in private to senior Irish politicians on two occasions—I must say that it was not received in a very friendly way. Nevertheless, that is the logic, and even now we are looking towards a progressive deconstruction of the eurozone, partial or complete, in the not-too-distant future.

It would be better to deconstruct the eurozone in a rational and controlled way, rather than in a disastrous crash. So I hope that the eurozone members will be sensible and start to deconstruct it as practically and sensibly as they can and not allow it just to go into a massive crisis, which will benefit nobody. Even deconstructing it through country-by-country removals will cause problems, because many other countries have money in Irish and Greek banks, so it will be devalued and people will lose. Nevertheless, it is better to do that than to allow the situation to continue and the elastic eventually to break, causing the whole thing to come crashing down.

5 pm

I strongly support the amendments tabled by the hon. Member for Stone, which I hope are accepted by the House. I hope that we make it clear that this is a loan from Britain to Ireland as a gesture of friendship to a fellow country in danger and that it is not to do with European Union arrangements. It is a friendship loan between two very close countries. Ireland is the country closest to us; it is a country with which we have deep historical links. I hope that all hon. Members will support the amendments if they are pressed to a Division—I certainly look forward to voting.

Mr Carswell: I wish to discuss amendment 6. It commands great interest across the House, although that may be difficult to believe given the swathe of green Benches that we can see, and I hope that we will have a chance to divide the House on it. It is right that we should be looking to help Ireland and debating how to do so, not simply because of this country's economic self-interest, but because of the close cultural ties between Britain and Ireland. It is fair to say that there is not a street in any town in this country where there are not close kith and kin connections between our two countries.

The question is whether the Bill helps us to do that. My hon. Friend the Member for Rochester and Strood (Mark Reckless) spoke eloquently, making the point that this deal is not tailored to help the Republic of Ireland, but has been imposed on it. It is not a case of our passing this to bail out Ireland, so much as our passing it to bail out the euro. My right hon. Friend the Member for Wokingham (Mr Redwood) has said that, and he has blogged eloquently about how the European Central Bank triggered this crisis. It began when the ECB called into question Ireland's ability to finance loans. Why did it do so? It did so because the ECB sacrificed Ireland to staunch the haemorrhaging of confidence in the euro and deal with the growing storm around it. The ECB put preserving a paper currency without a state ahead of the well-being of millions of Irish households.

Ireland is in debt because she is a victim of a credit bubble caused by euro membership, but when we consider amendment 6 we must ask how pushing a potentially high-interest loan on a friend reduces her debts. How does extending a debt as overdraft help that debtor to repay their debts? That will dig Ireland deeper into debt. Each of the eight tranches of this loan is yet another step towards debt. It is time that we stopped digging Ireland into deeper debt. The bail-out will not reduce the debt. People sometimes talk about the bail-out as though it were a solution to debt, but it is a deepening of debt. We need to make certain that the rate of interest and the terms of this extension of Ireland's overdraft are in her interests and those of her people. To do that, we need to make sure that we in this House have the final say over the terms of the small print.

Amendment 6 seeks to ensure that the interest on this £3.2 billion overdraft extension is kept low. The small print is certainly not definitive on the subject. The summary of terms states:

"The rate of interest payable on a loan will be at a fixed rate per annum equal to the aggregate of:

(a) the Margin; and

(b) the Sterling 7.5 year swap rate at the date of disbursement."

We are told by the Chancellor that, at the moment, that would be 5.9% and the document suggests that figure, but it is not definitive. We need to give the House of Commons the final say on the rate, and we need a formal means to allow the House to ratify the rate of interest.

Hon. Members will have heard some discussion about how Iceland got a significantly lower rate. Why is that? Is Iceland a better friend? It is for public debate, public concern and the legislature, not technocrats in the Treasury and watery eyed officials, to decide the rate of interest that we charge our friend.

The explanatory notes have, I think, been issued so that we believe that they are close to what amendment 6 suggests. We are asking for something that is not a million miles away from the explanatory notes, so why

[Mr Carswell]

not formalise the arrangements? Why not require the approval of an order under the affirmative procedure in the House? We have only the explanatory notes to go on—*[Interruption.]* I am delighted that those on the Front Bench are paying such attention. We only have the explanatory notes to go on, so why not enshrine these arrangements by order? The last time that we left EU matters to Sir Humphrey's explanatory notes, we were, bluntly, mugged. The explanatory notes to the Bill on sovereignty—the European Union Bill—were not even defended by the Minister in Committee. It is a cause of concern that we have only the explanatory notes. We must enshrine these arrangements in legislation to make certain that we in this House, who are accountable to the taxpayers who will ultimately have to stump up for this, are satisfied with the arrangements. That would be good for us and good for Ireland, too.

Over the past seven months, we have seen what happens when the House takes its eye off the small print. We have seen what happens when we leave it to Ministers, officials and Treasury negotiators to handle the small print. For example, we have seen how non-euro member countries, such as Britain, become liable through the small print for open-ended eurozone bail-outs until 2013. That is the price we pay as a House for taking our eyes off the small print. It would be quite wrong, incidentally, to blame the previous Government for that. The deal took effect after the coalition Government came to office.

When this House took its eye off the small print on Treasury negotiations on matters European, the Government managed somehow to sign us up to a European Council document that established a common legal framework for pan-EU economic governance. I suggest that this House should not form a habit of deferring the small print to the Treasury and its officials. It is prudent to require the Government to gain the approval of this House over the interest rate.

The amendment goes to the heart of why we are here and why we have a House of Commons in the first place. It is the purpose of us as MPs—and it has been for many hundreds of years—to oversee what Ministers do with our money. That should include the terms under which they lend our money and the terms under which they make taxpayers liable for debts incurred through such financial arrangements. The amendment is reasonable and in line with what the Government are seeking to do—or claim that they are seeking to do—in the explanatory notes drafted by officials.

The amendment would ensure that Ministers thought very carefully and wisely when they entered negotiations and finalised arrangements. It would also help to restore purpose to the House, which some of us would suggest has been in the past rather supine, submissive and spineless. Ultimately, it would ensure a fairer deal for our closest friend and our closest neighbour. I hope to press the amendment to a Division and to obtain the support of Members on both sides.

Mark Durkan: On amendment 3, tabled by the hon. Member for Stone (Mr Cash), the amendment of itself does not preclude the fear that he and my hon. Friend the Member for Luton North (Kelvin Hopkins) have that at some point in the future there might be a loans to Spain Bill, a loans to Portugal Bill or something similar. The amendment would not preclude the possibility of any other such bilateral loans being arranged in future. I do not believe that the amendment, which is commended to us in those terms, will serve the purpose for which it was tabled.

Mr Cash: I agree with that, but that is not what I have said. I have said that under this Bill, the consequence of not adding the words that I have provided puts the Bill in jeopardy of falling within the framework of European jurisdiction, which is a different point.

Mark Durkan: I know that the hon. Gentleman made that point, too, and I want to turn to it. He carefully quoted and referred to a number of points in the loan agreement, which was made available at the start of the debate. The summary of key terms refers to a number of matters, and the hon. Member for Stone seemed to say that those references alone mean that the bilateral loan is being interweaved with the wider EU and IMF support packages to Ireland. However, hon. Members should bear in mind a point that the Chancellor made on Second Reading—that one advantage of the bilateral loan arrangement is the place that it gives the UK at the table when it comes to arranging and overseeing the restructuring plan that is to take place in relation to the Irish banking sector.

The key terms include, under the heading "Other Terms", at paragraph 1(d):

"no amendments to the facilities provided by the IMF, European Financial Stability Mechanism, the European Financial Stability Fund or Sovereign bilateral lenders or to the Memoranda of Understanding that would have a material adverse effect on the Borrower's ability to restore its capacity to access the capital markets."

Given that the purpose of the loan arrangement is to make sure that Ireland can go to the bond markets on its own as soon as possible and get money at competitive rates, it is clear, in the House's interests, as the UK will be providing this loan, to make sure that the loan terms are protected against any undue terms coming from the other loans being made available in this context.

Several hon. Members have mentioned the role of the European Central Bank. We can look at the history of this situation and question the role of the ECB on a number of occasions. First, it kept interest rates very low—at times against the express wish and request of the Irish Finance Minister—which helped to contribute to the problem. Secondly, as many hon. Members have mentioned, there is the open-ended nature of the Irish Government's guarantee to the banks. Again, the ECB seems to have been the primary body urging a guarantee of that extent. Thirdly, there is the whole issue of the need for the bail-out and the creation of circumstances in which the Irish Government have had to seek it. Again, many people have questions about the precise role and performance of the European Central Bank in all that. Hon. Members have asked serious questions about the ECB, and we know that a much bigger loan facility is being granted through the EU and the IMF, so surely the House will want to know that the terms of the bilateral loan and its operation will not jeopardise the interests or purposes for which it is being made available. It therefore makes sense for the key terms that are summarised in the document to refer to the restructuring plan that is to be undertaken in relation to the banks.

: The document makes it clear that "conditions precedent" will include "finalisation by the Borrower" namely Ireland

"after consultation with the Lender, of a restructuring plan in relation to its banking sector with the IMF, European Commission and European Central Bank".

That is not the interweaving that the hon. Member for Stone has discussed, but a sensible, diligent precaution on the part of the House in providing for money to be borrowed. The "Other Terms" also include at paragraph 1(e):

"no amendments to the Restructuring Plan that would have a material adverse financial impact on the UK operations of Anglo Irish Bank, Allied Irish Banks and Bank of Ireland".

Again, it makes absolute sense for the House and the Government, who are responsible to it, to make clear cross-reference to what else is happening under the restructuring plan and to what other lenders might urge in relation to other parts of the plan in terms of key interests that the House needs to protect, including those of the banking sector in Northern Ireland and the contribution of the Irish banks to the wider UK economy.

5.15 pm

Unlike the hon. Member for Stone, I do not believe that the information covenants are a Trojan horse that will enable the House and its purposes to be subsumed in a variety of wider EU financial devices. They are there to ensure that any relevant information bearing on decisions relating to the restructuring plan, the wider stabilisation effort or the national recovery plan in Ireland is made available to the UK Government in an appropriate way. I believe that the other points in the summary of key terms reinforce the purposes of the loan rather than raising deeper, more sinister questions about the precedent that it creates.

I understand the motive behind amendment 6, given the fast-track nature of the Bill and the fact that amendments had to be tabled even before Second Reading. However, given that the summary of key terms gives us all the details relating to the interest rate, with which many people in Ireland will be uncomfortable and which, I am sure, is a matter of controversy even in the Dail this afternoon, I do not believe that the amendment is necessary. In my view, its purposes have been overtaken both by the summary of key terms and by the terms in which the Chancellor spoke earlier.

Chris Leslie: Although most of the Opposition's amendments relate to clause 2, these amendments deal with a number of incredibly important issues, and I am grateful to hon. Members for tabling them.

Let me take up some of the points made by my hon. Friend the Member for Foyle (Mark Durkan) about amendment 6 in particular. I understand what he said about the document that was presented to us about five minutes before the start of the debate, which, I have to say, was not only unfortunate, but verging on action that I would describe as morally out of order. It has been very difficult for the Committee to assimilate rapidly what is going on in the negotiations.

However, although I understand, at first glance, my hon. Friend's impression that amendment 6 or others might have been overtaken by events, the more I think about it, the more I feel that it would be important to have an opportunity to debate the interest rate question in particular because it has such an important bearing not only on the British taxpayer, as the organisation making the loan, but on the Irish people themselves. There are a number of circumstances that can change from time to time. What we have before us is a summary of key terms of the credit facility, which does not necessarily give us the full picture. Although we support the principle of the loan, I am slightly uncomfortable about nodding through quite technical terms without our having had even a retrospective opportunity to air the details properly. That, I think, is essentially what amendment 6 is trying to rectify. I shall say more about that shortly, but let me first deal with amendment 3, because it makes an important point.

I entirely understand the attempt by the hon. Member for Stone (Mr Cash) to limit the way in which the current drafting of the Bill might affect all sorts of other unforeseen loan opportunities. He spoke of the European Union's inveigling its way into other loan arrangements. In particular, he is worried about whether the Bill excludes what might be done under European law, because, as he sees it, this legislation leaves open opportunities for the EU to enlarge and change the mechanism, and to build on what we, at face value, know about the dimensions of the loan under discussion.

There are some interesting points about the jurisdiction of the European Court of Justice in the case of a default, and some questions probably merit further scrutiny, but I am not entirely convinced of the hon. Gentleman's arguments or of whether his amendment to clause 1(2) would necessarily achieve much of great use. I am grateful to him, however, for at least tabling it.

We have not touched on some of the other amendments in the group. The Chancellor addressed the denomination in sterling issue in his opening comments, but the question about whether the loan should be repaid over a particular length of time is quite interesting, and the hon. Member for Kettering (Mr Hollobone) tabled a useful amendment involving the 30-year period. The Opposition have also tabled amendments on those matters, in our case to clause 2, but our proposals are about the reports having to comment on the duration of the loan. Amendment 10, on the terms of the credit facility being open to greater debate, is quite interesting, too.

Amendment 6 looks most interesting, however. Given the drafting of this quite hurried legislation, and the unusually conspicuous absence of certain dimensions of the loan, we have a duty to pay attention to what the hon. Member for Clacton (Mr Carswell) suggests. When one thinks about a loan, one should think about not just the sum of money, but the duration and the interest rate. The rate of return on the British loan is a fundamentally important fact that cannot be simply skimmed over by references in documents that are not currently official documents before the House. The Chancellor said that the Swedish and Danish bilateral loan arrangements have not yet been completed, so it is difficult for us to determine whether our prospective interest rate is more or less favourable than theirs. What would happen if there were a sudden spike in global interest rates? Where in the Bill is there any protection for the British taxpayer?

Conversely, where in the legislation is there any protection for the Irish if the current or any future Government decide to chop and change the rate from time to time,

[Chris Leslie]

perhaps making a unilateral, Executive decision to raise the interest rate in future tranches of the loan arrangement? The Chancellor said that the interest rate will be fixed for the duration of each tranche, but there is no assurance of that in the Bill.

There is no harm in allowing the House the opportunity to debate and approve, by the affirmative procedure, a statutory instrument on the interest to be charged following the recommendation of Ministers. Our parliamentary democracy is often disregarded as some kind of rubber-stamping device, but perhaps these are good times to take back some of those safeguards, given the serious issues at hand. While Parliament votes on those moneys tonight, it must also consider taking greater ownership of the process, rather than delegating absolutely everything in absolutely every arrangement to the Chancellor of the Exchequer. I am certainly interested in amendment 6, and I commend the hon. Gentleman for his prescience in tabling it.

Mr Hoban: Amendment 3, which my hon. Friend the Member for Stone (Mr Cash) moved by, would ensure that the Bill did not apply to any loan made by the United Kingdom to Ireland under the European Communities Act 1972. Let me give him a second-tier assurance that the Bill applies only to the UK's bilateral loan to Ireland. Any EU loan made to Ireland through the financial stability mechanism would not be a loan from the UK to Ireland and would not be subject to the Bill.

There is no interweaving or interlocking, and therefore the amendment is unnecessary. My hon. Friend referred to paragraph 6(h) of the loan agreement. I am sure he will understand that the funding Ireland gets is dependent on it being a member of both the International Monetary Fund and the European Union. If it were no longer a member, it would no longer receive the funding and therefore there would be a problem. Amendment 4 would remove the power to increase the cap on the loan and adjust the cap for exchange rate fluctuations. I hope that the comments made by my right hon. Friend the Chancellor remove the need for anyone to push that amendment further.

Amendment 6 would require the interest rate on the loan to be approved by Parliament. That is not appropriate. The interest rate for each tranche of the lending to Ireland will be a fixed rate that is set by adding a margin of 2.29% to the sterling seven-and-a-half-year swap rate at the time that the disbursement is made. That is set out in the loan agreement and gives certainty to us and to the Irish Government, who would want to have certainty when accepting and voting on this package.

My hon. Friend the Member for Clacton (Mr Carswell) said that the amendment would enable the loan interest rate to be reduced. It could also lead to the loan interest rate being increased to the detriment of the Irish Government and their economic recovery. It is important that there is a clear, definitive statement about what the rate is. We have published the summary of key terms of the loan agreement to help colleagues understand what the rate is and how it will be set. The rate is set with the Republic and within the range of interest rates agreed with other multilateral bodies. It would be a big mistake and irresponsible of the Labour party to vote for amendment 6, because it would create uncertainty and instability where we want certainty and stability for the Irish Government. I question whether what the amendment proposes is the right thing to do. The loan rate is agreed and clear, and it is in the summary of key credit terms. The Irish Government have signed off on those key terms. That is the rate they are expecting to get. Amendment 6 would create unnecessary uncertainty and I therefore ask my hon. Friend to withdraw it.

Mr Cash: For the time being, I have decided against pressing amendment 3 to a Division.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 6, page 1, line 18, at end insert

'(7A) Before determining the interest to be charged on any payments under this Act, the Treasury must specify the rate of interest by order; and the Treasury may not make such an order unless

(a) the House of Commons has determined by resolution the rate of interest to be charged; and

(b) the order provides for that specified rate to be charged.'. *(Mr Carswell.)*

Question put, That the amendment be made.

The Committee divided: Ayes 243, Noes 301.

Division No. 160] **[5.27 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Baker, Steve
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Binley, Mr Brian
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bone, Mr Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Bridgen, Andrew
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Carswell, Mr Douglas
Cash, Mr William
Chapman, Mrs Jenny
Chope, Mr Christopher
Clappison, Mr James
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Doran, Mr Frank
Dorrell, rh Mr Stephen
Dowd, Jim
Doyle, Gemma
Drax, Richard
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise

Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Ilisley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Mercer, Patrick
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Percy, Andrew
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Redwood, rh Mr John
Rees-Mogg, Jacob
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr Graham
Sutcliffe, Mr Gerry
Tami, Mark
Tapsell, Sir Peter
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Whittingdale, Mr John
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wright, David

Tellers for the Ayes:
Mr Philip Hollobone and Mark Reckless

NOES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Grieve, rh Mr Dominic
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John

Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hopkins, Kris
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McDonnell, Dr Alasdair
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and
Mr Shailesh Vara

Question accordingly negatived.
Clause 1 ordered to stand part of the Bill.

Clause 2

Reports

Mr Hoban: I beg to move manuscript amendment (a), page 2, line 16, at end insert—

'(d) the remaining term of each Irish loan which is outstanding at the end of that period, and

(e) the original term of each Irish loan in respect of which a payment was made by the Treasury by way of an Irish loan in that period.'.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): With this it will be convenient to consider the following:

Amendment 1, page 2, line 16, at end insert

', and

(d) the original term for any Irish loan and remaining terms for any outstanding Irish loans.'.

Amendment 5, page 2, leave out lines 17 to 26.

Amendment 2, page 2, leave out lines 18 and 19.

Clause 2 stand part.

Mr Hoban: In dealing with the issues emerging in Ireland, we have sought to keep the House informed as much as possible about the progress that was being made as the crisis emerged, and the role that the UK Government felt they should play in helping to resolve it and responding to the Irish Government's request for help at the end of last month. We have done that through statements to the House and the publication of the Bill last week, and to aid debate, we ensured that before today's debate started a copy of the loan agreement was placed in the Vote Office. I hope that hon. Members will recognise that we were not able to place the summary document in the Vote Office earlier—or, indeed, to place the full signed agreement there—because negotiations

are still ongoing with the Irish Government. However, the principles that have been agreed were set out in the summary of key terms.

I think hon. Members would say, "Well, it's all very well that you've been transparent and open in the run-up to the loan process, but what's the next stage? Are you going to be transparent during the life of the loan? How are you going to keep the House informed of what's happening, whether the Irish Government are drawing down each of the eight tranches, how far they've got with repayments, and so on?" For that reason, we decided that there should be a clause to deal solely with reporting. It states that the Treasury will

"prepare a report about Irish loans and lay it before the House as soon as practicable after the end of that period."

The first period will end on 31 March 2011 and a report will be published for each subsequent six-month period. The clause states that those reports will include details of

"any payments made by the Treasury by way of"

the loan, and details of

"any sums received by the Treasury in that period by way of repayment of principal or the payment of interest"

and

"the aggregate amount of principal and interest in respect of...loans which is outstanding at the end of that period."

5.45 pm

Clearly, we will not be required to report if no payments are made within subsection (3)(a), and if no sums under subsection (3)(b) are received as payment, or if

"no amount of principal or interest in respect of an Irish loan is outstanding at the end of the period."

Subsection (5) states that the clause will cease

"to have effect...if no report is required to be prepared in relation to the relevant period ending with 31 March 2016"

The shadow Chancellor, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), tabled amendment 1, which helpfully suggests that we broaden the information that should be supplied in Parliament. I believe that the Government would have supplied such information anyway, but the proposal prompted us to consider the matter carefully and to reflect on it, in the spirit of bipartisan co-operation that has characterised most of the debate.

Amendment 1 would require the Government to report on the original term of the loans and any amendments to it, as well as payments made, sums received and amounts outstanding. As I said, I would have expected our reports to cover those points, and for us to include the duration of the loans and—in reporting outstanding liabilities—their remaining terms. We accept the principle, but as I know from my experience as an Opposition spokesperson, Opposition Members do not have access to the full array of drafting skills that Governments have. That hampered my drafting of amendments previously, and I am grateful that I now have those resources to call upon.

We therefore tabled manuscript amendment (a), which achieves the same effect as amendment 1, but more clearly.

Mr Bone: Does that not show that this coalition Government are willing to listen to Parliament's views and to change their mind now and again?

Mr Hoban: I am pleased that my hon. Friend recognises the spirit of the new politics, but I am not quite sure where he will take the debate from there. I welcome his recognition of the Government's flexibility. I do not know what his experience is, but my experience of opposition was that it was rare for a Government to accept an Opposition amendment even in principle. So this perhaps shows that the spirit of the new politics is now coursing through the House.

I should make some holding remarks on amendment 5, which my hon. Friend the Member for Stone (Mr Cash) tabled. I am pleased to see him in the Chamber, because he may be able to be clearer about the thinking behind his proposal than I could.

Subsections (4) and (5) are there to ensure that the duty to report does not continue indefinitely once all loans made under the Bill have been repaid and the authority to make further loans has lapsed. The way in which my hon. Friend has drafted amendment 5 would turn the requirement to report on the loan while sums are outstanding into an open-ended requirement to report every six months ad infinitum, even once all the loans had been fully repaid. I hope that the Committee will agree that this would be unnecessary and undesirable.

Amendment 2, tabled by Her Majesty's Opposition, would do something slightly different. Whereas my hon. Friend seeks to amend clause 2 to ensure that reports appear ad infinitum, the Opposition seek to bring forward the date on which the duty to report would end, by removing the requirement to report where there were no outstanding liabilities, but where there had been repayments or payments of interest in the preceding reporting period. In effect, amendment 2 says that there should not be a report where there is no balance to be repaid at the end of the period, although payments have been received in those six months. It would seem odd to remove the need for a report on the period during which the last part of the loan was paid off. Clearly the Government should be required to report that that has happened, and that is what the Bill as drafted requires.

I hope that the Committee will accept amendment (a), and that the proposers of amendments 1, 2 and 5 will not press them to a vote.

Chris Leslie: I do not necessarily wish to pour more congratulations on to the shoulders of the Minister—that would not be doing my job correctly—but in the spirit of Christmas I have to acknowledge, albeit begrudgingly, my appreciation of manuscript amendment (a), which the Chancellor of the Exchequer himself has tabled. I like to imagine him poring over the Order Paper, happening upon my amendment 1 and immediately thinking, "I must accept that amendment, but the drafting is not quite right," and therefore rewriting it in his own fair hand. However, I suspect that several dozen parliamentary draftsmen and women were involved in the process. As the Minister said, the intention was indeed to ensure that when we report every six months on what is happening with the loans, we are talking not just about the aggregate amount of the payments made and the interest, or about the sums that are returned, but about some of the other dimensions.

As the Minister said, the reporting arrangements as set out in the Bill do not exclude the ability to make the reports more comprehensive. Indeed, we ought to state

[Chris Leslie]

at this stage that we would appreciate as much data being contained in them as possible. One piece of information that I would have found useful is the remaining term of the loan, although that is a small point; given how small it is, I am grateful that the Government have conceded it. Perhaps I should regard this as a famous victory for the Opposition.

Mr Bone: No, for Parliament.

Chris Leslie: I thank the hon. Gentleman. Just at what I thought was my moment of great glee, he took it away from me. Nevertheless, I will take some satisfaction from what the Government have decided.

I was trying to listen carefully to the Minister's statement on amendment 2. As a lone traveller trying to amend the legislation, I might have misread the wording of clause 2, but I still do not quite understand the sequences of subsection (4), which states:

"No report is required to be prepared or laid in relation to a period if

(a) no payments…are made…

(b) no sums…are received in the period, and

(c) no amount of principal or interest in respect of an Irish loan is outstanding at the end".

I could not see any circumstances where paragraphs (a), (b) and (c) would simultaneously apply. For example, if no amount of principal or interest were outstanding, how could there be any circumstances where, under paragraph (a), payments had been made or, under paragraph (b), sums had been received? Surely if no report is required when no amounts are outstanding, the conditions under subsections (4)(a) and (b) are redundant. Looking at the drafting of subsection (4), it would be easy to imagine the parliamentary counsel becoming entangled in an arcane discourse on ontological logic. There are several twists to the double negatives set out in the drafting.

As a layman reading subsection (4), I could not see why paragraphs (a) and (b) were necessary, when they must be concurrent with subsection (4)(c), given that (4)(c) states that there is nothing left owing, according to my reading of it. If each of the three paragraphs were alternatives, or contrasting, perhaps using the words "either" or "or", that might make sense. They are conjoined, however, by the non-contrasting linkage "and", suggesting that each of the three conditions must be fulfilled simultaneously, and I am not quite sure that I follow that. Perhaps the Minister needs to walk me through it one more time. I do not wish to press this matter to a vote, because I am sure that there is a higher drafting power at work here, but as I read it, I could not see any circumstances in which paragraph (c) would be true simultaneously with paragraphs (a) and (b).

In general terms the reports will be important, not least because we need to see the terms of the loan that the people of Ireland will have to repay, as well as the amounts of money that the British people will have in return for adding to our national debt. There is a whole series of other questions to which I would eventually like answers. For example, what is the aggregate amount of interest that we expect to be paid by the Irish Government, and what is the impact for us in this country?

As I have said, it is a shame that the summary of the terms of the credit facility was deposited only at the eleventh hour, and I hope that we will have another opportunity to scrutinise it at another time. For the time being, however, that was the purpose of amendment 1, and I am grateful to the Minister for his acceptance of the first amendment that we tabled.

Mr Cash: I have much the same curiosity as the hon. Member for Nottingham East (Chris Leslie). I was a bit puzzled by the drafting of this provision, and I wanted to find out what the Minister had in mind. I am not sure that he has left me any more satisfied than I was when I started out, however, because my experience over the past 26 years of the dogged fashion in which Ministers operate is that they just say, "We're not going to make the amendment." They do not usually explain the position satisfactorily either.

Having said that, it seems to me that if there is nothing to report, we should just not bother with the reports. Subsections (1), (2) and (3) will be necessary. It is possible that, in due course, the concerns that I raised on an earlier amendment might need to be included in the report. That was the case, for example, in relation to the reports on the Maastricht convergence criteria, despite all the footling remarks that were made during the debate on Maastricht, when we were assured that this, that and the other would not happen. When we came to the convergence reports, and got into the whole business of the golden rule, the stability and growth pact and all the other shenanigans and wriggling, we were proved right over and over again.

Chris Leslie: I just want to pick up the hon. Gentleman's point that if there is nothing to report, there is no need to have any reports. I believe that it would be of interest to the House if, even when no payments were made, a report were still produced to set out that fact. That might seem a small point but, for example, in the unlikely event that default became an eventuality, the lack of a payment being received might be of interest. That was also part of the rationale behind deleting subsection 4(a) and (b).

Mr Cash: I think I might agree with that too, but I think that is catered for by subsection (3)(a), which says that each report must inelude details of

"any payments made by the Treasury".

One could have said, "payments, if any," but for practical purposes I think subsections (1), (2) and (3) would be sufficient. I am not particularly fussed about it; I just wanted to table a probing amendment. I got the usual stonewalling operation from the Minister. I have got used to it over the years; it makes no difference to me and it makes no difference to him.

6 pm

Mark Durkan: Like my hon. Friend the Member for Nottingham East (Chris Leslie) and the hon. Member for Stone (Mr Cash), I found clause 2(4) a bit tortuous. However, I can see the problem with amendment 2, because if paragraphs (a) and (b) were removed and the subsection read only

"No report is required to be prepared or laid in relation to a period if…no amount of principal or interest in respect of an Irish loan is outstanding at the end of the period",

the point at which the loan is finally discharged—when a final payment is made—could be the one point when a report would not be necessary, whereas I would have thought that that was the one point where a report would have been relevant and necessary.

I therefore understand why subsection (4) is framed as it is and why there is a conjunctive that covers all three parts. It is only when no payment is made, no sum is received, and nothing outstanding is due at the end of the period, that no report is made. Otherwise, if all three conditions are not satisfied, there will be a report, as I understand it. Given what Members have said about the scrutiny and oversight that they want the House to have, although subsection (4) reads tortuously it seems to stand, so I would not be persuaded by amendment 2.

Mr Hoban: I think the hon. Member for Foyle (Mark Durkan) has a second career beckoning as a parliamentary draftsman. He has summed up the situation exceptionally well.

In subsection (4) all three paragraphs—(a), (b) and (c)—have to apply if no report is to be published. If amendment 2 were made, removing paragraphs (a) and (b), payments could have been made in the period but they would not be reported if there was no balance outstanding at the end. Therefore we must ensure that all three are true before we allow no report to be published. I hope that provides clarification.

I hope I am not seen by my hon. Friend the Member for Stone (Mr Cash) as someone who seeks to stonewall his inquiries, but having imposed a duty on the Treasury to report, it is right that that duty be extinguished when the loans are repaid; otherwise someone will say, "Yes, the loans have been repaid, but your Act requires you to make those reports." It is right that the duty to report is extinguished when the loan has been repaid, and that is simply the purpose of—

Mr Cash: Perhaps a little bit of irritation, which is not usual in my case, is beginning to burgeon, because a number of questions that I tabled weeks ago about the legal advice regarding the stabilisation mechanism still have not been answered, and when I use the word "stonewall" I mean just that. When I do not get an answer, and I am told that I will get the answer as soon as possible but I still do not get it, and I have to put in a reminder but I still do not get it, there is something going on; I know that. They do not want to disclose the legal advice; they do not want even to disclose whether in fact it was given, or when it was given. I would like to know the answer to those questions because as Chairman of the European Scrutiny Committee—

The Second Deputy Chairman: Order. This is an intervention. It is a very long intervention. The hon. Gentleman has clarified what he meant by stonewalling, but perhaps we might leave the considerations about the European Scrutiny Committee for another day, because it is not particularly relevant to the amendment that we are discussing now.

Mr Hoban: It is right that the duty to report is extinguished when there is no principal outstanding, and that is the purpose of subsections (4) and (5).

I hope that, with that explanation, hon. Members will accept manuscript amendment (a) and will not seek to press amendments 1, 5 and 2.

Manuscript amendment (a) agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clause 3

SHORT TITLE, COMMENCEMENT AND EXTENT

Question proposed. That the clause stand part of the Bill.

Mr Bone: Can the Minister answer the following question, which has been raised several times during the debate: why is the Bill called the Loans to Ireland Bill rather than the Loans to the Republic of Ireland Bill? That seems very strange, as it gives others the impression that we are lending money to Northern Ireland as well as to southern Ireland.

Mr Hoban: That is an interesting question, as my hon. Friend the Deputy Leader of the House knows because he also recently asked it. I draw the attention of my hon. Friend the Member for Wellingborough (Mr Bone) to clause 1(2), which defines an "Irish loan" as

"a loan to Ireland by the United Kingdom."

Of course the United Kingdom includes Northern Ireland. Therefore, the loan is clearly to what one technically might describe as the Republic of Ireland. I am grateful to my hon. Friend for raising that point, in order to enable me to put that clarification on the record.

Question put and agreed to.

Clause 3 accordingly ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Third Reading

6.7 pm

Mr Hoban: I beg to move, That the Bill be now read the Third time.

This has been a quick process; Bills are not usually dealt with so expeditiously. I thank all Members for their contributions and their co-operation during the course of today. The co-operation to enable the Bill to proceed so swiftly today has been particularly helpful because, assuming Third Reading goes according to plan, the passing of this Bill will send a clear signal that the UK is willing to play its part in the financial package to assist Ireland.

As my right hon. Friend the Chancellor said earlier, this package of measures has been discussed in the Irish Parliament today, and it has voted in favour of it. There are further international agreements to be reached over the course of the next few days including on International Monetary Fund assistance. Our progress today helps to ensure that there is a sense of progress in achieving the right outcome in respect of financial support for Ireland.

The Bill will allow Britain to provide up to £3.25 billion in lending to Ireland as part of the wider assistance package. The package will help to recapitalise Ireland's banks, set up a contingency reserve to deal with any future problems and cover the current shortfall in the Irish Budget. As was discussed in the debate, ensuring

[Mr Hoban]

Ireland's stability is very much in our interests. A final written agreement on the various terms of the loans will be forthcoming in the next few weeks, but we have sought to provide a summary of the key terms that have been agreed with the Irish Government, in order to help to inform today's debate. It is clear from the way in which the Committee stage of the Bill proceeded that the provision of that information was helpful.

I note the point made by the hon. Member for Nottingham East (Chris Leslie). I, too, wish that we could have supplied this information sooner, but when one is negotiating a deal with another Government, one cannot always deliver information as timeously as one would perhaps like. However, we are committed to keeping the House informed about the progress of those negotiations, and clause 2 will enable us to do so—rather, it will require us; we could have been enabled to do so anyway, through our own desire—through six-monthly reporting.

It is clear from the debate, particularly on Second Reading, that Ireland is a friend in need. Our economy is currently in a stronger position than theirs, which is why we are able to offer our support. It is clearly in our interests, because of the strong links we have with the Irish economy. Ireland is one of our key trading partners, and a strong Ireland will help to support growth, jobs and investment in the UK.

The Bill is straightforward: it gives the Treasury the power to make disbursements to the Irish Government. There is a mechanism in place to take into account any adjustments in exchange rates that emerge between 9 December and the signing of the agreement, which we expect to be within the next 30 days. We do not expect to increase our contribution beyond the €3.8 billion agreed with our international partners and the Irish Government, but there is a mechanism to do so if it is required. Again, that would be through the affirmative resolution procedure and would be voted on by all Members of Parliament. So the right safeguards are in place, and the use to which the facility will be put will also be subject to regular reporting under clause 2.

There is no doubting that this Bill is important, and I am grateful to Members from all parties for their support today—support that helped us to progress according to such an urgent timetable. I hope the Bill will now proceed to the other place and be enacted as soon as possible. I commend it to the House.

6.12 pm

Chris Leslie: As the Minister has said, this is important legislation. We have been happy to support the spirit of the propositions before us, and in the spirit of bipartisanship, the Government were able to concede a small but beautifully formed manuscript amendment. Although the Minister perhaps has some longer-term issues in the form of disagreements that are increasingly emerging between him and his Back Benchers, by and large, there was support across the House for the Bill.

We have been clear that we will support the Government in providing help to Ireland. Ireland's stability does matter to us: it is in our national interest as a trading partner, because of Ireland's connections with our banks and its being our only land border. Events in Ireland remind us, though, of the inconvenient truths for the coalition in particular: first, that this was a global financial crisis; and secondly, that the banks, not Governments, were the root cause of the problem here.

The problems in Ireland make it clear how fragile the world recovery is and show how risky the Government's gamble with growth and jobs is. Relying on exports alone delivering them is a risky economic strategy. However, going forward, Europe needs to get ahead of this crisis and the bail-out does buy time, but it does not offer a fundamental solution to the fundamental problem. In Greece, we saw markets calm temporarily, but six months later the Irish problem came to a head.

As part of the longer-term answers required, the Government have to realise that collective austerity across Europe offers countries with high debt burdens no way out. Although we of course support the Bill, we are therefore particularly anxious that the Chancellor of the Exchequer and the Prime Minister show greater leadership in tackling the root causes of the lack of confidence, and argue more fervently for a plan for growth and jobs across Europe and across the eurozone. We believe that that has to be the fundamental objective for the Government at this time; but we are of course happy to support Third Reading.

6.14 pm

Mr Cash: I, too, hope that this Bill succeeds, because it is important to help Ireland. I would like to see Ireland as part of a new configuration of the European Union, rejoining this country on a different footing from the arrangements that currently prevail in the European Union. The European Union is increasingly in its death throes and I hope that this does not lead to an implosion. We have seen riots in the streets here in the United Kingdom, in Greece, in Portugal and in Italy—there were riots in Rome only yesterday. The situation is extremely grave and a lot of it results from the very point made by the hon. Member for Nottingham East (Chris Leslie) about growth. The plain fact is that under the current arrangements there is no growth. Until powers are repatriated we will not get the sort of oxygen into the small business community that will be able to fill the gap between the requirements of the Irish economy and those of the UK economy.

In the meantime, we are considerably exposed to the indebtedness of the Irish banks. The amount that we have made available, small as it is comparatively but great as it is from the point of view of the British taxpayer, has been justified, but that is without prejudice to my concerns. They are that the former Chancellor of the Exchequer's explanation of how the financial stability mechanism came to be put through remains unsatisfactory. He could have referred the whole question to the European Court, because this was unlawful and remains so. I sent a note to the Chancellor of the Exchequer on this very question as he was going off to an ECOFIN meeting. I regret to say that the explanatory memorandum produced by the Government on 27 July—perhaps it was 25 July—endorsed the decision taken by the former Government, and that speaks for itself.

I am also deeply worried about this business of the "greater amount" under the provisions that we have already discussed because, irrespective of what the Chancellor said about the exchange rate, the reality is that the amount of the increase is simply a matter of whether or not it is carried by the affirmative resolution.

It is only when the exchange rate issue comes into play and we are therefore just dealing with a fluctuation in the amounts to be made available that we revert to using the negative resolution. Therefore, the Bill still provides that this "greater amount" is an open-ended commitment, and I hope that the Government will keep this closely under surveillance. I have heard nothing from the Front Benchers to dissuade me from that view.

Finally, we need to deal with the question of the Euro-ectoplasm and the way in which the kaleidoscope of European legislation in conjunction with all the other arrangements that have been made parallel to this so-called "bilateral loan" weave together, because there is a serious risk that the European jurisdiction applies here. I did not press my amendment to a Division for reasons relating to another vote that did not, in fact, transpire along the lines anticipated.

Be that as it may, the Bill is understandable from the point of view of the Irish economy. However, the Irish Government and the Irish banking system have to take the blame for allowing their economy to get so far out of kilter, and that point needs to be made on the Floor of this House. We are helping them, but we are doing so without prejudice to the fact that they got themselves into the same kind of mess as the Labour Government did on our economy. This is not a day for excuses or congratulation; it is a day for a bit of sober reflection. If people spend what they have not got, they end up with it catching up with them. There is a great deal to be said for prudence, but not of the former Prime Minister's kind.

6.19 pm

Mark Durkan: I join right hon. and hon. Members in welcoming the passage of this Bill, which is a sad necessity. It has been a sad necessity for this House, and for Oireachtas Eireann, too, to undertake these arrangements for the reasons that many hon. Members have touched on in the debate.

I acknowledge the spirit in which the Chancellor and the Minister have spoken, not only today but on previous occasions and in the statements leading up to this Bill. Although this is a fast-track Bill, we have known that it is coming and that it is afoot; although in procedural terms it has been microwaved through the House, we know, understand and appreciate the background. I hope that we can have some shared hopes and confidences about what will come from it.

It is important to acknowledge that the Bill has raised questions. I tabled an amendment, which was not selected, on bonuses. This week, the Irish Minister for Finance has supervened—that was the word he used, which has been bandied about—to prevent bonuses being paid in Allied Irish bank just as it is about to benefit from this and the other loan measures. My amendment—I understand why it was not accepted—simply aimed to offer the House a chance to paravene in support of the supervention of the Irish Minister for Finance.

I am sure that, as we have been told, the Government will have a place at the table in some of the restructuring discussions. I hope that the Chancellor will ensure that the interests of Northern Ireland banking requirements will be held in due regard in the context of such restructuring. Although many of us, from all parties, have raised many issues about the banking of business in our constituencies, there is a fundamental question about the future of the business of banking in Northern Ireland. Northern Ireland is in the twilight zone between the British banking market and the Irish banking market. I hope that the Government will show due diligence and be protective of the needs of the Northern Ireland economy and the Northern Ireland banking sector as regards that restructuring.

We also need to recognise that there are clear UK interests at stake to do with the Irish economy and Irish banking in general. The Irish banks are not just significant players in Northern Ireland; they have significant lending in other parts of the United Kingdom, too. Of course, the UK banks lend £94 billion or more in the south of Ireland, too. For those reasons, this Bill and the debate about it reflect—to use an old phrase that was coined by Charlie Haughey in the days when he was creating Anglo-Irish engagement with Margaret Thatcher—the totality of relationships. In many ways, today's debates and the arguments, justifications and explanations that have been given by the Chancellor and Treasury Ministers in recent weeks reflect the modern reality of the totality of relationships between these islands in economic and banking terms.

I understand the question asked earlier by the hon. Member for Wellingborough (Mr Bone) about the Bill's title. As an Irish nationalist, I regard Ireland as the island of Ireland. My constituency of Foyle demonstrates another naming issue. It is the city of Derry or Londonderry, and so it is instead called Foyle, after the river. The issues are similar with the title "Ireland". When I was Minister of Finance in Northern Ireland, I had to present statements and agreements on EU funds that were agreements between Northern Ireland and Ireland. Those terms struck me as odd and I could not get away with saying "between Northern Ireland and the south" because the proper title of the Irish state is Ireland. I assume that that is the explanation for the title of the Bill, uncomfortable though some of us, as profound Irish nationalists, might be with that.

6.25 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the hon. Member for Foyle (Mark Durkan). The Bill has, as he said, been microwaved through the House today, but the trouble with microwaved meals is that although they are quick and do a job, they are not healthy and are not of good quality. That is how I regard the Bill, but I certainly do not seek to divide the House on Third Reading. I have made it clear that I am against the Bill, but it would be wrong to claim any victory today. My remarks and those of some of my colleagues resulted in at least seven Members going through the same Lobby as me, but the Chancellor's remarks got several hundred Members to go through the same Lobby as him, so it probably is not a good idea to divide on Third Reading.

Let me take this opportunity to congratulate the coalition's Treasury team, who are doing an exceptional job. They are the part of the coalition that is dealing with the economic crisis and we have a collection of very good Ministers here, headed by the Chancellor. It is just my opinion that we have got things wrong on this particular measure; I am very much in the minority but at least I have made my point today.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Standards and Privileges

[Relevant document: The oral evidence taken from Mr Richard Caborn and reported by the Committee on 14 December 2010, HC 691.]

Motion made, and Question proposed,

That this House

(1) approves the Ninth Report of the Committee on Standards and Privileges (House of Commons Paper No. 654);

(2) endorses the recommendations in paragraphs 31, 50 and 64 of the Report; and

(3) accordingly instructs the Serjeant at Arms to suspend the entitlement to use or to be issued with a Parliamentary photopass of

(a) the Rt hon. Stephen Byers, for a period of two years commencing on 1 January 2011;

(b) the Rt hon. Geoff Hoon, for a period of five years commencing on 1 January 2011; and

(c) the Rt hon. Richard Caborn, for a period of six months commencing on 1 January 2011. *(Mr Heath.)*

6.27 pm

Mr Kevin Barron (Rother Valley) (Lab): Before I turn to the three former Members who are the subject of the motion, I wish to make a few remarks about the behaviour of the people who duped them. They would no doubt argue that they have served the public interest, but they were also taking advantage of the need of retiring MPs in the run-up to a general election to provide for their future employment. They dangled the bait in front of our former colleagues and unfortunately some of them took it. If that was not entrapment, it was something close to it, and although I do not seek to excuse the conduct of those three former Members, I think the whole House will feel some sympathy for them because of the way they were deceived.

Three former Members—Sir John Butterfill, Patricia Hewitt and Adam Ingram—were cleared by the commissioner and the Committee that I chair of any breach of the rules. Whatever we may feel about the poor judgment they showed in agreeing to take part in the bogus interviews, and however ill-judged some of the remarks made in the interviews may have been, they did not break the rules and the Committee has therefore made no recommendations about them.

The remaining three former Members did break the rules, and the Committee has recommended sanctions accordingly. I will deal with each of them in turn, because although they were all part of the same deception practised by the media, their cases are different in important respects.

Stephen Byers has made a full and I would say gracious apology. He recognises that he made claims to the bogus interviewer that were untrue, and it is evident that he deeply regrets the damage he has caused not only to his reputation but to the reputation of the House. I do not dispute the genuineness of his apology, but unfortunately the seriousness of his offence means that saying sorry is not enough. That is why the Committee has recommended that Mr Byers's entitlement to a parliamentary pass should be suspended for two years.

The Committee also found that Geoff Hoon committed a particularly serious breach of the code which, like that of Mr Byers, brought the House and its Members generally into disrepute. As those who have read the Committee's report and the evidence will know, Mr Hoon has not accepted this conclusion.

He argued that the code of conduct should not apply because he was discussing his private life and what he might do after he had left the House. The Committee did not accept that argument. Mr Hoon was a Member of Parliament when he attended the bogus interview, and he talked in the interview about information that he had been given while he was a Member of Parliament, so the code applied.

Secondly, Mr Hoon suggested that the meaning of what he had said to the bogus interviewer had been misinterpreted. It seemed to come down to whether he had said "this" or "it", or perhaps neither. Some of us refreshed our memory of what he said by watching a recording of the "Dispatches" programme, and he clearly said "this". Ultimately, however, it is not so much about the exact words that he used as about the impression that he was giving. The Committee concluded that Mr Hoon was giving the clear impression that he could brief paying clients about defence policy on the basis of his inside knowledge. That is, as we said in our report, a particularly serious breach of the code, because it brings the House and its Members into disrepute. Unlike Mr Byers, Mr Hoon has neither accepted that he breached the code nor apologised. The Committee has therefore recommended that Mr Hoon's entitlement to a parliamentary pass should be suspended for five years. Hopefully, the apology will ensue.

The Committee found that in Richard Caborn's case there were several minor breaches of the rules in relation to his failure to declare an interest when arranging or taking part in functions in the House. They were most likely due to carelessness on Mr Caborn's part; there is no evidence that he deliberately set out to break the rules. Mr Caborn accepts that that was the case, and he has apologised unreservedly for those breaches.

The Committee found that Mr Caborn committed a further breach when he failed to declare a financial interest in the course of a meeting with a senior NHS official at which a proposal was raised which might have benefited the members of an organisation for which he was a paid consultant. In our judgment and that of the commissioner, that breach was also due to carelessness. There is no evidence of intent on Mr Caborn's part. The commissioner therefore described it in his memorandum to us as "less serious" than the breaches committed by Mr Byers and Mr Hoon, but that does not mean that it was not a serious breach. It was a breach both of the rules on declaration of interests and of paragraph 12 of the code of conduct, which covers all members.

The Committee took the view that, because that was a less serious breach than those committed by the other former Members, a less severe sanction was appropriate. We could have recommended just an apology, but Mr Caborn had written to us stating that he did not accept that he should have declared his interest and did not accept that he had breached the rules. As we pointed out in our report, we could have invited the House to summon Mr Caborn to the Bar to apologise in person, but if he did not accept that he had breached the rules, it was not clear what that would achieve. We therefore agreed that Mr Caborn should also lose his privileged rights of access, and, because his was a less serious case than the others, we set the tariff at six months.

Mr Caborn wrote to me on 12 December seeking a meeting with the Committee. I consulted my colleagues on the Committee, who agreed to offer him an opportunity

to give oral evidence at its meeting on 14 December. We had, of course, invited Mr Caborn and the others to give oral evidence before we produced our report, but he had declined that initial invitation. We would not normally agree to a request to give evidence after the publication of a report, but in this case we felt that it was right to grant Mr Caborn's request to have his say, because, as a former Member, he was unable to speak in today's debate. The transcript of his evidence, and his letter to me of 12 December, are in the Vote Office, and I hope that Members have had an opportunity to read them.

I do not propose to go through Mr Caborn's evidence in detail, but this is the nub of it. First, we are finding against him on the basis of a rule that we ourselves say is insufficiently clear and needs reviewing. Secondly, he is being treated in the same way as those who have committed particularly serious breaches of the code of conduct.

The Committee says that the rules on lobbying need to be reviewed. The 1974 resolution refers to

"transactions or communications...with Ministers or servants of the Crown";

the guide to the rules refers to

"correspondence and meetings with Ministers and public officials"

and the code of conduct, article 12, refers to

"any activities...with Ministers, Members and officials."

That all needs to be brought together and tidied up, but, as the Committee's report states:

"Mr Caborn should have had greater regard to the purpose of the rule".

The purpose of the rule is quite clear: it is to ensure that Members are transparent in their dealings with people who might be in a position to influence public policy or the spending of public money. Mr Caborn tried in his evidence to tie the rule very tightly to people who are in a position to influence legislation, but such a narrow interpretation is not one that most of us would recognise. To sum up: yes, the rules need reviewing and clarifying, but the purpose of the rules is clear and the evidence that Mr Caborn breached the rules is, in my Committee's view, also clear.

Turning to the Committee's recommendation, I have already explained that we felt that a sanction was appropriate. If Mr Caborn had apologised up front, that might have been enough, depending on what he said, but the fact is that, until I received a letter from him this morning, Mr Caborn did not accept that he had breached the code and had not apologised. In his letter today, Mr Caborn writes that the Committee has "given a new interpretation" of the rules and set a new precedent. I do not accept that, but in his letter he continues:

"Your Committee have come to its conclusion which I accept and in respect to the House, apologise."

I welcome this apology, although I am disappointed that it has come so late in the day.

An apology was sought and has been given, but that still leaves the House with a decision to take on what sanction should apply. We could, as I said earlier, have recommended that Mr Caborn be summoned to the Bar of the House for a formal reprimand. That would have been humiliating for him, and I am not sure that it would have been all that great for the House. The media would have loved it, and the pictures no doubt would have been broadcast around the world, but it would have been a bit like a public flogging, and we did not think that right or appropriate, so we did not go there.

Given that Mr Caborn is a former Member, the only real option that the House is left with is to take away his pass. He told us that losing his former Member's pass is just like being suspended from the service of the House. With respect, it is not. A serving Member who is suspended loses his or her pay and expenses for the period of suspension and is excluded from the precincts of Parliament. All that Mr Caborn will lose is his ability to enter the building without going through the visitors' entrance and his access to certain facilities, such as the Strangers Bar. He can still come here as a member of the public. Some might say that losing those privileges for a period of just six months is a very light punishment. Well, it is intended to be light, because we recognised that Mr Caborn did not intend to breach the rules or to bring the House or its Members generally into disrepute. In that respect, his case is different from the other two.

In the view of the Committee, its recommendations in respect of those three former Members are regrettable but necessary. They are also proportionate. Once the period of suspension of the former Members' privileged rights of access is over, and assuming an apology has been made, they will be free to re-apply for their passes. It is painful to have to take such action against former colleagues, but by agreeing to the Committee's proposals today, the House will send an important signal that it does not tolerate breaches of its rules.

6.39 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): The right hon. Member for Rother Valley (Mr Barron) has clearly set out the basis for the complaints, the commissioner's findings of fact and the Committee's recommendations.

These debates are never easy. The House can take no pleasure in imposing sanctions on Members and former Members who have breached the code of conduct, but it is something that we must do if we are to have any hope of restoring and maintaining public faith in the House. For those former Members who have breached the code, the Committee recommends suspending their entitlement to a parliamentary photo pass for a period ranging from six months to five years. There are those outside this place who might argue that such a sanction is not tough enough. As the Committee has noted, however, the power of the House to discipline former Members once they have left this place is severely limited. In fact, the Committee is not aware of any disciplinary action having been taken against a former Member in modern times.

As these cases do not relate to the misuse of allowances, there is no money to repay and the removal of access is, in effect, the only sanction open to the House to impose. Such a sanction sends a clear message about the strength with which the House deprecates the breaches carried out in these cases. We should not lose sight of the damage that this episode has done to the reputations of the former Members who have breached the code, as they seek to establish new lives and new careers outside this place.

[Mr David Heath]

As the right hon. Member for Rother Valley has said, I emphasise that three of the six former Members about whom complaints were made following the clandestine recordings by *The Sunday Times* and "Dispatches" were cleared of any breach of the code by the commissioner. The motion makes no reference to those Members, because no sanction is required in their cases, but it is important that the record shows that not every Member who is subject to media criticism has, in fact, breached the code of conduct for MPs, however unwise their actions may have been.

In the course of these investigations, the commissioner identified three areas where he felt that the code of conduct should be reviewed. First, the paid advocacy rule prohibits a Member from being paid for participating in any proceeding or from lobbying Ministers or officials, if in doing so they would be seeking to confer an exclusive benefit on the organisation that is paying them. However, the commissioner is not confident that the rule as currently expressed has the effect of ruling out lobbying on behalf of a wider business sector of which the organisation paying the Member forms a part.

Secondly, the code of conduct does not apply to former Members, although it does apply to discussions Members have while serving in the House about what they might do after they leave. The commissioner is concerned about contacts between former Members and serving Members, Ministers and officials based on previous working relationships. An issue arose in the case of Mr Richard Caborn about the scope of the rules relating to contact with public officials. Although the rule itself refers to "Ministers and crown servants," the guidance refers to "public officials." That is another area the commissioner feels should be clarified. The Committee proposes that the rules regarding lobbying should be reviewed as soon as time permits. I understand that that will be a wide-ranging review conducted by the commissioner, who will report to the Committee. The Committee will, in turn, make a report to the House.

I remind the House of the measures that the Government have taken and will take to raise standards in public life. The coalition agreement sets out the Government's commitment to introduce a statutory register of lobbyists. We intend to take as many views as possible of those who are interested through a broad consultation on the introduction of a statutory register of lobbyists, before publishing a draft Bill before the end of this Session. We will introduce legislation in the next parliamentary Session. When Ministers leave office, they will be prohibited from lobbying Government for a period of two years. They must also seek advice from the independent Advisory Committee on Business Appointments about any proposed appointments or employment they wish to take up within two years of leaving office. The ministerial code is also clear that former Ministers must abide by the advice of the advisory committee. In conclusion, on behalf of the House, I thank the right hon. Member for Rother Valley, other Committee members and the Parliamentary Commissioner for Standards for their work. I hope that the House will feel able to support its Committee.

6.43 pm

Helen Jones (Warrington North) (Lab): I echo the thanks given to the Select Committee on Standards and Privileges and to the commissioner for their work on investigating these matters. These were very difficult issues to get to grips with. As my right hon. Friend the Member for Rother Valley (Mr Barron) has said, they have arisen from the contact that former Members had with a fictitious company set up by journalists. It is worth noting that the commissioner obtained full certified transcripts of those meetings before making his report, and that he did not rely simply on the parts that had been broadcast or that had appeared in the media. I think we are all grateful for the thoroughness of the investigations that have been carried out.

It is important to put on the record the fact that the report is not concerned with whether former Members were unwise in their dealings, with whether they exaggerated their claims, or even with what they planned to do when they had left the House; it is concerned solely with whether they breached the rules while they were Members of this House. That is the only question before us. Indeed, in some cases the Committee found that Members who had been reported to the commissioner for investigation had not breached those rules, and they were exonerated through the investigation. In three cases, as we have heard, they upheld the complaints and have recommended that parliamentary passes be withdrawn for different periods.

Labour Members support the Committee's recommendations on this matter. As has been said, however, we believe that the case involving Richard Caborn, who, it is fair to say, was and is widely respected in this House, raises some issues that need to be looked at in future. The report clearly states that

> "Mr Caborn...did not bring the House and its Members generally into disrepute".

We agree with that. However, the Committee found that he had breached the code of conduct. As the Deputy Leader of the House has said, this case raises some important issues. First, the rules need to be clarified. Members need clear rules that they can obey, in which case there is no dispute about whether they have been breached. Secondly, the definition of "a public official" needs to be the same as that in the rules, in the code and anywhere else that it is mentioned. Thirdly, there is the whole problem of what Members who are planning to leave the House may and may not do when they are planning their future careers. Again, clear guidelines are needed.

We also need to consider whether former Members should have a right of appeal. Any existing Member of this House who is subject to a report by the Standards and Privileges Committee can stand up in this Chamber and make their case; clearly, that is not possible for former Members. I welcome the fact that the Committee decided today to hear evidence from Richard Caborn, but that is something that we will perhaps need to consider formalising in future.

I, too, hope that the House will support this motion, and I look forward to a proper debate on the issues that have arisen during the investigation of these cases.

6.48 pm

Mr Alan Meale (Mansfield) (Lab): Let me say to my right hon. Friend the Member for Rother Valley (Mr Barron) that I welcome all aspects of his Committee's report apart from one, to which I will refer in a moment.

As the Deputy Leader of House has said, it is never easy for the House to discuss such matters. It is even less easy for someone to stand up and say that they do not agree with parts of a report such as this, because inevitably those comments will be picked up by whoever is out there and played against them. However, I feel absolutely obliged to do so in respect of the case of Richard Caborn. Richard Caborn is a person who gave 27 years of honourable service in this place. In the past few weeks, people from both sides of the House have told me that what he and other colleagues are going through is absolutely appalling.

What about the three former Members who were exonerated entirely? We must, as a House, look to see what they have been put through over the past few weeks and months by people outside this place. Perhaps, as the Chair intimated at the beginning of his address, we need to look at how people treat this place and how they portray it to the general populace, as that is not in the interests of the democratic process.

I turn to what the Chair of the Select Committee said in respect of Richard Caborn. The Committee's recommendation states:

"Like the Commissioner, we accept that there is no evidence to suggest that any of these breaches were intentional. Mr Caborn did not bring the House or its Members generally into disrepute."

As its Chair said, the Committee accepts in its conclusions that the rules and associated guidance need to be clarified and amended, and that the rules relating to lobbying must be reviewed as a matter of urgency.

I conclude as I started by reminding the House of Richard Caborn's long years of honourable service in this place. He served at all levels of Government and served the House well—as did Sir John Butterfill, who was exonerated in this examination. Richard Caborn spent most of his working life in this place, serving the people of this country and the people of Sheffield, only to be admonished at the end of it by this place because of our lack of rules, the sting that was referred to by the Chair of the Select Committee, and that Committee's findings, which state that he brought neither the House nor Members into disrepute. The six-month suspension that he has been given is, frankly, disproportionate to his so-called crimes. It would have been enough to say that it was unsatisfactory that he did not make a full apology to this House at an earlier stage. If we are going into the business of bringing stings performed by people outside this place to the Floor of the House and of purging our own Members, something wrong is happening.

Question put and agreed to.

Mr Speaker: I call Neil Parish to present a public petition. He is not here, so we will move on.

Water Supplies (Developing World)

Motion made, and Question proposed, That this House do now adjourn. — *(Miss Chloe Smith.)*

6.52 pm

Mr Don Foster (Bath) (LD): After many years of campaigning on water, sanitation and hygiene, I am grateful for this opportunity to debate the topic. Far too many people in the world lack safe clean water. Globally, just short of a billion people struggle without access to it. That is more than the population of Europe. In places such as Zambia, Ethiopia, Tanzania and Mozambique, I have seen personally that when clean water is not available there are minimal opportunities for good health, gaining an education, looking after crops or animals, or developing a business. If a major part of the day is taken up with walking many miles to collect water, there is no time for a child to get an education, and no time for a parent to earn a living.

Similarly, far too many people do not have decent sanitation or hygiene provision. The figures are frightening. Whereas the number of those who lack safe water is dreadful, 2.6 billion people go without access to decent sanitation. That is twice the population of China. Without decent sanitation or hygiene, the chances of a healthy life are minimal. Diarrhoea is the biggest child killer in Africa. On that continent alone, almost a million children aged under five died from diarrhoea in 2008. Worldwide, some 1.3 million infants die as a result of diarrhoea every year. Ninety per cent. of those cases are down to inadequate sanitation, unsafe water or poor hygiene.

It is clear to me that one of the most important ways in which we can help the poorest people in the world is by providing support in the areas of water, sanitation and hygiene, collectively referred to as WASH. Many of the other targets of our aid provision—education, agriculture, business development and health—need, as a starting point, people to have access to decent water, sanitation and hygiene.

I have seen at first hand the impact that help with those facilities can make. I have seen, for example, a health clinic in the bush in Ethiopia that was almost deserted because of the improvements in the health of local people following the installation of water pumps in local villages. In many other places I have seen the impact of the excellent work done by the UK-based charity WaterAid. I have even done a bit of well building for it in Zambia.

Fiona Bruce (Congleton) (Con): I thank the hon. Gentleman for introducing a debate on this important subject, on which I support him. I have to declare an interest: my father spent his entire professional career as a water engineer, building and maintaining water and sanitation projects both in the UK and in many countries abroad. Does the hon. Gentleman agree that if we are to ensure the sustainability of projects in the developing world such as those provided by WaterAid, it is essential that community groups and church groups on the ground are trained to maintain the projects commenced by voluntary organisations and ensure their continuity?

Mr Foster: The hon. Lady is absolutely right. Like me, she has probably seen examples of totally unsustainable aid development. In Zambia I once saw a brand-new fire engine that had been donated to Lusaka urban

[Mr Foster]

district council by another country. Within 24 hours nobody could use the fire engine, because its engine was designed to use a fuel that was not available in Zambia. I have seen video recorders provided by other countries with videotapes in a language that was not understood by the population. She is right: there is no point in installing a water pump without involving the villagers in learning how to maintain it and ensuring that they will be able to get parts for it. They can possibly even go further by making a small charge for the water from the pump, so that there can be paid attendants to ensure that it is well looked after and serviced, and the project is sustainable. I agree that involving local people is critical.

As I said, I have seen some excellent work by WaterAid, but many other charities such as Tearfund and Pump Aid work in the field and deserve our praise. Given the importance of that aspect of the UK's aid work, I was pleased by the Government's promise in the coalition agreement, which stated:

"A key aim of our aid is to make sure everyone gets access to the basics: clean water, sanitation, healthcare and education."

Those words are encouraging, but delivering that aim will not be easy.

One of the United Nations millennium development goals is to halve, by 2015, the proportion of the world's population without sustainable access to safe drinking water and basic sanitation. Sadly, that goal is not going to be met. According to a UN report this year, the number missing out on proper sanitation will actually grow to 2.7 billion by 2015, if current trends continue. Although the safe water target is on track globally, there are parts of the world where it will be missed by miles, not least in sub-Saharan Africa, where it is predicted that 350 million people will remain without access to safe water.

The UN report says:

"the safety of water supplies remains a challenge and urgently needs to be addressed."

That warning becomes even more pressing in the context of climate change. The problem is not just hotter weather, causing more frequent droughts that in turn limit access to water. Climate change also disrupts weather patterns, resulting in more frequent and powerful floods. Flooding leads to overflowing latrines, contaminated drinking water, waterborne diseases such as cholera and all kinds of other sanitation problems. The problem is extremes of water shortage and water excess, and that problem will intensify as climate change continues to progress. That is part of the reason why we need to do even more.

Rather than discuss the work of my right hon. Friend the Secretary of State for Energy and Climate Change and his Department, however, I wish to concentrate on what I believe the Department for International Development can do. In recent years water and sanitation have not been given the priority that I would wish them to have. As a proportion of the UK's aid budget, spending on water and sanitation has dwindled to just 2.2%, yet if I am right, and if water and sanitation are a vital plank in delivering all our aid goals, increasing the proportion of aid money dedicated to them would be money well spent. WaterAid made that argument powerfully in its recent submission to the Department—

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Miss Chloe Smith.)*

Mr Foster: The argument was well made by WaterAid, and I hope the Minister has had a chance to read its submission. It considers each of the millennium development goals in turn in the context of WASH.

The first goal is to eradicate poverty. The World Health Organisation estimates that for every £1 invested in WASH, £8 is generated. That is because people save time on water collection, so they can be more productive, and WASH provision limits the number of days lost to illness.

The second goal is universal primary education, but children who are busy fetching water do not have time to go to school. The education of young girls ends up suffering the most, as that task more often than not falls to them. Sanitation also has a role to play in education. Dedicated girls' toilets and menstrual hygiene facilities are important in making schools accessible for older girls.

DFID already knows that. It published a girls' education strategy in January 2005, which prioritised

"non-education programmes such as clean water supply and sanitation facilities".

There were two updates on implementing this strategy—the first in December 2006 and the second in July 2009—but when I asked the Library for further reports, I came away empty-handed. I therefore hope that the Minister can tell us what progress has been made in the year and a half since the second report was published, and that he confirms that the education of girls still an important part of his Department's programme—which brings me neatly to MDG 3, which is to promote gender equality and empowerment.

Seventy-two per cent. of water fetching is done by women and girls. The task takes up an average of 14 hours a week—I have seen it take very much longer—and distracts girls and women from education and other potentially productive activity, such as building their economic independence. That is a significant barrier to gender equality.

The fourth goal is to reduce child mortality rates. As I have already said, diarrhoea is the biggest child killer in Africa, and 90% of cases are caused by inadequate sanitation, unsafe water and poor hygiene. Poor water quality will always undermine our investment in health. We would be horrified if our own local clinics had only dirty water coming out of the taps, or if the only water available for swallowing medication was contaminated.

Clean water is a fundamental part of health, including maternal health, which is the subject of MDG 5. WASH poverty causes the most significant health risks for women. A hygienic environment for childbirth and post-natal care will increase the survival chances of mothers and newborns.

Finally, MDG 6 is to combat HIV/AIDS and other diseases. HIV/AIDS patients require more water—up to five times as much as normal water consumers—because the most common diseases caused by AIDS are diarrhoeal and skin-related. My point is not that MDG 7 and the water and sanitation goals that I mentioned earlier

should be prioritised at the expense of all the others. Rather, I believe that prioritising WASH will increase our chances of delivering on both the UK's aid pledges and the MDGs. Until we fund WASH better, our investment in health and education will be less effective: the money will only ever achieve a part of what it could otherwise achieve.

Some progress has been made. Spending on WASH has gone up slightly in recent times, and we recently became part of the Sanitation and Water for All international global partnership. I look forward to a progress report. However, that will not be enough without more UK investment, so I am calling for two things. First, by reordering or rebalancing priorities, the Department should increase the sum spent on water, sanitation and hygiene to £600 million per annum. That would lift 100 million people out of water, sanitation and hygiene poverty.

Fiona Bruce: When Governments are looking to make a real difference, they invest in huge infrastructure projects. One of the challenges that they face in doing that—as opposed to what happens when charities invest smaller amounts in, say, village wells—is to ensure that the governance of those involved in partnering in those projects is sound. I would be interested in hearing the Minister's response to that point, but does the hon. Gentleman agree?

Mr Foster: I entirely agree. Indeed, with the work that I have seen, particularly in Africa, I have been incredibly impressed by the way in which the various charities involved work with local communities, empowering and involving them, before ultimately moving away and leaving those local community organisations to run by themselves what has been put in place. That is important.

The hon. Lady talks about large sums, and that is the crucial point that I am trying to make. We welcome the increase in the aid budget—I will mention that briefly in my summation—but I am talking about reprioritising that money. For example, we have just increased the amount of money used to tackle malaria by £500 million. That may seem like an enormous sum going to do something important, but we know that diarrhoea causes more deaths than malaria, HIV/AIDS and tuberculosis combined, and as I said earlier, 90% of cases are caused by poor water, sanitation and hygiene. Therefore, the £600 million that I am arguing for to lift 100 million people out of that situation would be money well spent.

Secondly, water, sanitation and hygiene issues need to be mainstreamed into our wider development, public health and poverty reduction efforts. Again, that will require a big shift in thinking. We are still trying to break down the divide between sanitation and water, which is hard enough. For instance, DFID's business plan promises that regular reports will be published on the number of sanitary facilities built or upgraded with DFID funding. Those extra data will no doubt be useful, but that promise indicates something of a silo mentality. We should not be thinking in terms of either water or sanitation. That is why I am asking for enough money to bring those things together.

However, I also think that we should go further. Such issues should become an important part of our strategies for dealing with infant mortality, maternal health and other global issues. Departmental advisers working on water and sanitation should be properly linked to colleagues working on health or poverty reduction. We should be breaking down the sectoral divides that still exist in the aid world. In all, we need a truly integrated approach—for instance, by ensuring that new schools are always built with suitable hygiene and sanitation facilities; or, as the hon. Member for Congleton (Fiona Bruce) suggested, by recognising the importance of transparency and accountability when a Government make decisions about major capital projects and services, such as their water systems. All that depends on facilitating and encouraging better co-operation between those in different sectors.

All of us in this House should be proud of the way in which our country contributes directly, and through international organisations, to help alleviate poverty and ill health in some of the poorest countries in the world. We should be proud of our commitment to increase further the money spent on aid. However, we need to ensure that we get the best possible value for that money. We need to ensure that the way in which it is spent provides the best possible route towards the reduction of poverty and ill health. That can best be done by rebalancing our aid budget in favour of water, sanitation and hygiene. A modest change in that area would reap huge rewards. I hope that my right hon. Friend the Minister agrees.

7.9 pm

The Minister of State, Department for International Development (Mr Alan Duncan): I am grateful to my hon. Friend the Member for Bath (Mr Foster) for raising this topic. Achieving the millennium development goals, including the two vital targets on clean water and improved sanitation, is at the very heart of the coalition's agenda on international development. I recognise and respect his interest in water and sanitation, and in particular his high regard for WaterAid, which we, too, consider a valued partner in our work.

Speaking personally, I am also convinced of the importance of water, sanitation and hygiene. In Hoa Binh province in Vietnam, I have seen how these simple interventions can make a remarkable difference to people's health and opportunities. One local woman showed me the new latrine in her garden that had vastly improved her life, and told me that she had pinned up a hygiene advice sheet in her house to educate her whole family. I have also inspected at close quarters some latrines—of variable quality, I have to say—in rural Bangladesh. Indeed, I am proud to say that I am fast becoming something of a ministerial latrine expert. I commend to the House the UNICEF booklet entitled "Low-cost latrine options", which contains an encyclopaedic list of various designs, including the Blair pit latrine. Known as a VIP latrine, it is a ventilated, improved pit, designed and used, as it happens, in Zimbabwe.

Furthermore, I am proud that the United Kingdom is the first country in the G20 to set out how we will meet our promise to spend 0.7% of our gross national income on aid from 2013. This also places a serious responsibility on us to use the money well, and water, sanitation and hygiene fit squarely within that agenda. Each pound of taxpayers' money in this area can bring direct, tangible benefits for poor people. As many will know, we are currently reviewing all our bilateral and multilateral aid. I cannot therefore make any detailed announcements on numbers today, but we have a high

[Mr Alan Duncan]

level of ambition in this area and my right hon. Friend the Secretary of State has already stated in the House that we know we will support tens of millions of people in gaining access to sanitation over the next four years.

Today I can outline seven principles of how we, the British Government, will respond to this global crisis. First, we will ensure excellence in our Department for International Development country office programming. A vital part of our efforts will be through our bilateral programmes. Our current programmes in Bangladesh will affect up to 30 million people by 2011. Our current programmes in Ethiopia, Sierra Leone, the Democratic Republic of the Congo and Nigeria will provide up to 17 million people with access. We will also be making new commitments under the bilateral aid review. We will of course ensure that there are sufficient and qualified staff in DFID country offices to deliver our programmes. There will be close co-ordination with our climate change work, including work on water management, and we will continue to ensure an excellent humanitarian response, dealing with issues of water storage, water supply, health care in emergencies and cholera pandemics.

Secondly, we will link our work on water, sanitation and hygiene especially closely with our work on health. We cannot achieve other key millennium development goal targets in the absence of action on something as fundamental as basic water supply, sanitation and hygiene promotion. Recent articles in the Public Library of Science medical journal, launched last month by the Under-Secretary of State for International Development, my hon. Friend the Member for Eddisbury (Mr O'Brien), conclude that 2.4 million deaths each year could be prevented if people had adequate access to hygiene, sanitation and drinking water. They emphasised, as has my hon. Friend the Member for Bath, that diarrhoea is the biggest killer of children in Africa, with about 4,000 under-5s dying every single day. Yet simply washing hands with soap can reduce the risk of diarrhoeal diseases by 42% to 47%.

This issue was once much closer to home. It was John Snow who, in London in 1854, first traced a cholera outbreak to a contaminated water source in Broad street in Soho. This very institution of Parliament was brought to a standstill in 1858 by the "great stink" of inadequate sanitation. In 1862, Florence Nightingale, through her meticulous statistical analysis, showed that high death rates in the British Army in India were actually due to poor water, sanitation and hygiene. Today, globally, we must follow in the great British tradition of investing strongly in water, sanitation and hygiene to deliver the health gains that we need. Clearly, as diarrhoea is today the main killer of children in Africa, we cannot achieve the MDG on child mortality without that, and the evidence shows it will also play a major role in improved nutritional status, as well as reductions in pneumonia, maternal and neonatal infections and preventable blindness. So we will complement and co-ordinate our direct actions on health, and our sizeable new commitments on malaria, reproductive and maternal health, with substantial and closely linked actions on water, sanitation and hygiene.

Thirdly, we will increase our focus on gender and disability. Currently in the developing world, too much time is wasted, day in and day out, collecting water. That time could be spent in other productive, caring or educational activities. Women lose out most, as they are twice as likely to fetch water and they also face indignity, and often the risk of violence, because of a lack of sanitation facilities. Clean toilets in schools can contribute to keeping girls in school, and that alone is a reason to take action. Standard designs for water and sanitation may be inaccessible for people with disabilities, but simple modifications can solve that. They can reduce stigma and the burden of care, and increase dignity and social integration. So we will support innovation and scaling up of what works, to benefit women, girls and people with disabilities.

I have already alluded to the fourth principle: ensuring cost-effectiveness and value for money. Water, sanitation and hygiene are among the most cost-effective health interventions, according to the World Bank and the World Health Organisation. Hygiene promotion comes out as just $5 per disability-adjusted life year, known as DALY, averted – a measure of the impact of the intervention on reducing sickness and death. Sanitation promotion is also within the top 10 interventions, at $10 per DALY. We will work to ensure that whether we are working through multilateral, non-government or Government partners, we further improve the value for money we are achieving with UK taxpayers' money.

Fifthly, we will directly empower communities and help them to hold their Governments to account. The community-led sanitation programmes which the UK and others have supported, first in Bangladesh and now spreading rapidly in Asia and Africa, have shown the powerful influence of shared action. Once communities start to work together on ensuring latrines and hand-washing for all, not just the few, experience shows that they go on to work together in addressing other problems. Natural community leaders emerge and they gain confidence to do more.

We have also been supporting citizens to hold their own Governments to account. We fund a global network of southern civil society organisations, the Freshwater Action Network, in south Asia and Africa. Local groups, for example, are carrying out citizen audits to investigate whether there are latrines in schools and presenting the findings to their local Governments. Lessons on what works are being shared via the global network. The network is also taking part in regional intergovernmental conferences, bringing the views of poor people who are demanding water and sanitation directly to the decision makers, and we will continue to support and develop such innovative and empowering approaches.

The sixth principle is that we will build further evidence and test innovative approaches. We will keep building evidence regarding both the cost-effectiveness of our interventions and what really works at scale. The British Government are funding the largest research programme in the world on sanitation and hygiene in the developing countries – the SHARE consortium – bringing together leading researchers and practitioners. We are supporting a major trial in Zimbabwe, examining the link between sanitation and nutrition. Not having latrines and not washing hands can cause intestinal infections and long-term malabsorption of nutrients, and so damage the long-term growth and development of children. This research is potentially vital to achieving global targets on nutrition. We will also investigate how we can use the entrepreneurship of the local private sector for providing and maintaining

water supplies. The results from these will not just inform our programming but that of other donors too and, most importantly, the investments and policies of developing countries themselves.

Finally, we will work with others in the sector to ensure a collective response to this global crisis. We know it is possible to achieve results at scale: 1.3 billion people have gained access to sanitation since 1990, but particularly in Africa our collective efforts and resources have still not been enough.

The sanitation MDG target is likely to be missed by 1 billion people, and Africa is off-track for both water and sanitation. The UK is already the largest donor to basic water and sanitation systems in low-income countries. These simple systems reach people in rural and peri-urban areas where there are the lowest levels of coverage, and so are targeted well to the poorest people. Globally however, aid to basic systems has declined from 27% to just 16% of aid in the sector over the last five years, and only 42% of the sector's aid goes to low-income countries. I am pleased that DFID supports an annual report, known as the GLAAS report and produced by UN-Water and the World Health Organisation, giving a global picture of how aid to water and sanitation is allocated. That will help us to hold each other to account, and assist better targeting in the future.

We must be realistic. We alone cannot solve all the problems. We also need others to play their part in focusing aid resources on the people who need them most, and this is not just about aid. Developing country Governments have the leading role to play in ensuring action on water and sanitation, backing it with their own policies, programmes and resources. In this way, donors can support countries to achieve their own targets in the way that they want.

Sometimes, however, there is not the political will or capacity to develop credible investment plans. We will therefore work closely with all our partners in the sector to solve this global crisis together, including through the UK leadership role in the sanitation and water for all initiative, where we are at the forefront of helping to address some of these wider issues. This global partnership of 31 developing countries, six donor countries, nine multilaterals and development banks and countless southern and northern civil society networks has come together with the common goal of ensuring both results on the ground and accountability in respect of them. The sanitation and water for all initiative has already achieved changes that should lead to improved results in Ghana, Burkina Faso, Senegal and other countries.

We will find new ways to work jointly with other donors. Specifically, we are looking for ways to enable fragile states, and those that are most off-track on the targets, to develop the capacity and plans to ensure access to water, sanitation and hygiene. It is imperative that we find ways for these countries to attract and use the finance for achieving results at scale.

The British Government know how important this agenda is, and we have a clear picture of the needs. We are ready to play our role in a global effort, complementing our leading role on health. In the coming weeks, we will finalise our commitments across the board and our policy support to this vital area. I can already confirm, however, that the Government have great ambition in water, sanitation and hygiene, and that that will continue to be an important part of DFID's business.

Question put and agreed to.

7.22 pm

House adjourned.

Deferred Division

ANIMALS

That the draft Mutilations (Permitted Procedures) (England) (Amendment) Regulations 2010, which were laid before this House on 8 November, be approved.

The House divided: Ayes 304, Noes 221.

Division No. 157]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Arbuthnot, rh Mr James
Bagshawe, Ms Louise
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Gardiner, Barry
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Love, Mr Andrew
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary

Stride, Mel
Stuart, Mr Graham
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Wilson, Mr Rob
Wright, Jeremy
Young, rh Sir George
Zahawi, Nadhim

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Bottomley, Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carswell, Mr Douglas
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Engel, Natascha
Esterson, Bill
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Ilsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lewis, Mr Ivan
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sanders, Mr Adrian
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Mr Mark
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodward, rh Mr Shaun
Wright, David

Question accordingly agreed to.

House of Commons

Thursday 16 December 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

NEW WRIT

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the County constituency of Oldham East and Saddleworth in the room of Philip James Woolas Esq., whose election on 6 May 2010 has been declared to be void.—(*Mr Alistair Carmichael.*)

Oral Answers to Questions

ENERGY AND CLIMATE CHANGE

The Secretary of State was asked—

Bioenergy

1. **Fiona Bruce** (Congleton) (Con): What assessment he has made of the potential contribution of bioenergy to the Government's objectives for energy security and climate change. [30963]

The Secretary of State for Energy and Climate Change (Chris Huhne): The Government believe that sustainable bioenergy, such as woody biomass, bioliquids and many other bioenergy forms, could contribute up to half the UK's target of 15% renewable energy by 2020. That would deliver a greenhouse gas saving of 20 million tonnes of carbon dioxide equivalent by 2020. It would also improve the UK's security of supply, as bioenergy is one of the few renewables that can generate energy on demand.

Fiona Bruce: Convert2Green, a biodiesel producer in my constituency, produces sustainable transport fuels from waste cooking oil. Those fuels currently benefit from a 20p fuel duty differential which is due to be abolished in April 2012, just three months after the renewable transport fuels obligation comes into effect. Will the Secretary of State consider the merits of an extension of the differential until the RTFO has had a chance to prove itself as a suitable support mechanism for the sustainable biodiesel industry?

Chris Huhne: The Government are keen to secure a more rapid development of all bioenergies, and the use of chip fat or any other cooking oil is certainly one option. I am afraid that the specific measure that my hon. Friend wishes me to warm to falls within the responsibility of the Chancellor of the Exchequer rather than that of my Department, but I am sure that the Chancellor is as mindful as I am of our commitment to becoming the greenest Government ever.

Geothermal Energy

2. **Sarah Newton** (Truro and Falmouth) (Con): What recent representations he has received on Government support for deep geothermal energy production in the UK. [30964]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): My Department engages regularly with the deep geothermal sector, and believes that that exciting renewable energy source has considerable unexploited potential. I shall be meeting the key players in the sector in the new year.

Sarah Newton: I thank the Minister for his helpful response. Deep geothermal power could generate 10% of the United Kingdom's energy needs. It is a tried and tested technology which provides energy in countries throughout Europe. The last Government did not support that type of power generation, and rejected calls for the introduction of a licensing structure similar to those of other European countries. What are the Government doing to provide support for this important energy sector?

Gregory Barker: My hon. Friend has fought a vigorous campaign on behalf of this exciting new form of energy. I am delighted to say that, at my direction, officials are actively examining the practical and legal aspects of an exploration licensing scheme covering geothermal heat and power projects, which will be vital to unlocking the true potential of this renewable energy source.

Energy Prices

3. **Hugh Bayley** (York Central) (Lab): When he last met representatives of (a) Ofgem and (b) energy suppliers to discuss consumer energy prices. [30965]

11. **Alex Cunningham** (Stockton North) (Lab): What recent discussions he has had with gas and electricity suppliers on trends in energy supply costs to domestic consumers; and if he will make a statement. [30974]

The Secretary of State for Energy and Climate Change (Chris Huhne): With permission, Mr Speaker, I shall answer Questions 11 and 12 with Question 3.

Department of Energy and Climate Change Ministers and officials meet both Ofgem representatives and suppliers regularly to discuss market issues. Ofgem monitors the market closely, and reports quarterly on retail prices. Its latest report shows large increases in estimated supplier margins—that is, profits—for the year ahead, which are mainly due to recent price increases. I am disappointed by that development, and I welcome the announcement of Ofgem's review of the retail market. We are also taking other measures to encourage new market entrants to provide new competition.

Mr Speaker: I merely point out to the House that the grouping is with Question 11 only. Question 12 has been withdrawn.

Hugh Bayley: We are told that there is a global glut of gas. Will the Secretary of State explain why energy suppliers are increasing consumer prices by two, three and, in some cases, four times the rate of inflation? What are the Government doing to protect the old and vulnerable during what seems likely to be one of the coldest winters on record?

Chris Huhne: I am grateful to the hon. Gentleman for his question. The first and most important point is that Ofgem, as the regulator, ought to have considerable influence over the margin above the wholesale price, and that is the subject of the inquiry launched by Ofgem. If I remember the figures correctly, that margin has risen from about £65 or £70 on a typical bill to about £90, and that is what triggered Ofgem's interest in the matter and the review. I have encouraged Ofgem to be firm with all the suppliers as to whether such margins are necessary to bring forward the investment we require in the sector, and we await with interest Ofgem's review.

The hon. Gentleman also asked about the vulnerable. He may have seen that we have announced support through the warm home discount scheme, which will run both for the next year and the year after—and subsequently, I hope. It will provide discounts for the vulnerable. We are also continuing to make sure that energy efficiency measures are available, such as by extending the carbon emissions reduction target, so we can help the vulnerable get through what I know can be a very difficult period, particularly if there is a hard winter.

Mr Speaker: May I remind the House of my keenness to get down the Order Paper and accommodate as many Back-Bench Members as possible?

Alex Cunningham: According to the House of Commons Library, between 1996 and 2004 the number of households in fuel poverty fell from 6.5 million to less than 2 million, but now, in the face of massive increases in energy prices, it has nearly doubled again to more than 4 million. Does the Secretary of State agree that energy companies must cut prices now and reflect the reality when wholesale prices go down, and does he also agree that those companies should play a greater part in tackling fuel poverty?

Chris Huhne: This is a real problem, in part because fuel poverty reduction is an objective for which the Government are not solely in control. Clearly, as energy prices bounce around, people get brought into or leave fuel poverty. As part of the fuel poverty review, I want us to set clearly obtainable objectives to deal with the root causes of fuel poverty. One key issue is that those on the lowest incomes often have enormously variable energy bills—varying, in fact, by a factor of six. If they are in modern social housing they can have low energy bills, but they can have very high bills if they are in private rentals. We must deal with energy efficiency issues.

Tony Baldry (Banbury) (Con): On energy prices, how will my right hon. Friend ensure that the carbon floor price encourages investors to put money into green energy and does not simply become a mechanism that substantially increases energy bills?

Chris Huhne: That is one element of the proposals we will be bringing forward later in the consultation document. Indeed, we will make a statement on it. The Treasury will consult on the carbon tax element today. It is one of four key instruments that we will suggest should play a part in reforming the electricity market, taken together with our price support measures and our very keen enthusiasm to encourage market entrants. As competition is the best guarantee to consumers, I believe we can ensure that we have the best possible deal for electricity and gas supply in future.

Mark Pritchard (The Wrekin) (Con): May I congratulate my right hon. Friend on his success in Cancun? As energy and utility companies are not passing on falls in energy wholesale prices to consumers, is it not time we had a review of whether Ofgem has the powers to tackle those companies that seem to care very little about the poor and vulnerable, as the hon. Member for York Central (Hugh Bayley) rightly pointed out?

Chris Huhne: I am grateful to my hon. Friend for his kind remarks. There was an outstanding team effort at Cancun. The Minister of State, my hon. Friend the Member for Bexhill and Battle (Gregory Barker), who is responsible for climate change, and the rest of the team played a tremendous part in making sure the outcome was much more successful than we might have hoped even as recently as early in that week.

My hon. Friend the Member for The Wrekin (Mark Pritchard) is absolutely right to make the point he made. In my discussions with Ofgem, I have repeatedly raised the fact that we want it to be firm with energy suppliers and ensure our consumers are not being taken for a ride. Both the chairman, Lord Mogg, and the chief executive are very aware of that, and they are completely in line with our objective of making sure the energy suppliers are providing the best possible deal. The review is looking at precisely this issue. Ofgem does have substantial powers over suppliers and, of course, we can also trigger a competition review.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Labour Members are also pleased that Ofgem is looking into energy pricing. The Government seem to be in a funny place. They appear to accept that energy prices will increase and that that is a price the British public will have to pay, to a degree, for a greener future, but we know that prices rise for many reasons, as the Secretary of State acknowledged. Given the Government's proposals to increase VAT from January, freeze pay, cut funding to public services and oversee huge job losses, increased energy bills will add to hardship. At the same time, the Government are abolishing Consumer Focus, which battles on behalf of consumers. We have heard lots today about the theory, but consumers are facing the challenges now. Even if energy market reform is successful, can the Secretary of State tell the House what plans he has to improve things for consumers now, as we approach a harsh winter and the measures that I mentioned?

Chris Huhne: The hon. Lady knows that the Ofgem review is a very real review into the margins being charged by suppliers and that Ofgem has considerable powers. If its review finds a real concern about the lack of competition in the sector—I believe that has been a widespread concern—we will move to ensure that behaviour is, in fact, pro-competitive in this area. One of the key objectives of Government policy is to bring more competition into this field, as that is the ultimate guarantee that consumers will get the best possible deal.

Smart Metering

4. **Pat Glass** (North West Durham) (Lab): When he expects to publish the results of his consultation on smart metering. [30966]

The Minister of State, Department of Energy and Climate Change (Charles Hendry): There has been an excellent response to the consultation, with more than 300 replies having been received from a wide range of stakeholders, which have broadly welcomed the key proposals in the prospectus. The Government expect to respond formally to the consultation early in the new year.

Pat Glass: The Minister will be aware that smart meters, in themselves, are simply pieces of kit; on their own, they will not change behaviour or reduce energy consumption. What are the Government and the energy companies doing to educate consumers, because that is how we will reduce energy consumption?

Charles Hendry: The hon. Lady is right that the consumer experience is absolutely at the heart of the success of the smart meter roll-out. We are working very closely with Citizens Advice, Consumer Focus and other groups that represent consumers, including those representing older consumers, because the experience of consumers and making sure that they use smart meters most effectively to their advantage is at the core of what we are trying to achieve.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Crucial to obtaining the benefits of smart meters is ensuring that they are for everyone in this country, no matter where they live—no matter how remote and rural their location—and no matter what the construction of their house, even if it be with walls so thick that most signals will not get through. We need to be mindful that none of the early roll-outs of smart metering lock in a technology that will not be universal. Will the Minister ensure that his response to the consultation gives us a truly universal metering system?

Charles Hendry: I congratulate my hon. Friend on his tenacity on this issue and the way in which he continually pushes us to make sure that we keep it very much in our mind. We are involving Ofcom directly in our discussions and our approach to developing this area to ensure that exactly those issues are very much in our mind.

Kevin Brennan (Cardiff West) (Lab): But what about smart meters that are being installed now which might be incompatible with the meters that will be installed in future? I thought that the Government were abolishing Consumer Focus, not working with it, as the Minister said in his earlier answer. What will he do to protect consumers now from those future costs?

Charles Hendry: One of the major operators is installing smart meters as we speak. It is installing many thousands every week, so we have to ensure that the regime we put in place for the longer term takes account of those issues. The operator is, to some extent, doing this at its own risk, because if the meters are not compatible with the longer-term solution they will, in time, have to be removed. The hon. Gentleman is right to say that we need to ensure that in all these areas the consumer interest has to be right, because if we do not get that right, this is the sort of programme that could get stuck in its tracks.

Community Energy Schemes

5. **Damian Hinds** (East Hampshire) (Con): What support his Department is providing for community energy schemes; and if he will make a statement. [30967]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): The coalition wants local communities to share the business rates generated from large-scale renewable energy projects and to benefit from financial incentives for smaller renewables. DECC has also recently launched the community energy online website to provide advice and support for both communities and local authorities.

Damian Hinds: My hon. Friend will be aware of the greening campaign, which started in Petersfield in my East Hampshire constituency and has now spread to 200 towns and villages. What can he do to help such bottom-up community-based organisations as they go about providing facilitation and practical support to local groups that are looking to develop community energy schemes?

Gregory Barker: The greening campaign in my hon. Friend's constituency is an excellent initiative. As he knows, community engagement in the energy sector will be vital to our vision of the development of energy in the UK in the coming decades. We are helping communities to access the planning system more effectively through the Localism Bill and giving them more information and advice with the new community energy online website. The finance mechanisms that we are putting in place with feed-in tariffs and the renewable heat incentive will be a great help.

Huw Irranca-Davies (Ogmore) (Lab): In response to my question in the last DECC questions, the Minister suggested that all was light and joy in the photovoltaic sector and with the feed-in tariffs. Within days, however, he had called the sector in for an urgent meeting. Speculation is rife that he will rush forward a review, and the headlines shout, "Clouds gather over solar park gold rush". If there is a genuine problem, why does not the Minister stop denying it, stop passing the buck and get on and fix it? After all, that is what he is paid for.

Gregory Barker: The hon. Gentleman is absolutely right—we inherited a real mess from the last Government with ineffective legislation. Just as with the national debt, it falls to this coalition to clear it up. I took action—I did not dither—and I have called in the

industry. We will put a stop to the gold rush that might have developed as a result of Labour's lousy legislation. We will not allow large speculators in field solar to soak up available funds that are intended for community and household projects.

Carbon Reduction

6. **Mr Dave Watts** (St Helens North) (Lab): What discussions he has had with representatives of business organisations on the carbon reduction commitment energy efficiency scheme. [30968]

9. **Bridget Phillipson** (Houghton and Sunderland South) (Lab): What plans he has for the future of the carbon reduction commitment; and if he will make a statement. [30972]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): My right hon. Friend and I regularly meet businesses to discuss climate change and energy issues. My officials are also discussing how to simplify the policy landscape with a wide range of CRC and climate change agreement participants. This will inform the proposals the coalition will bring forward next year.

Mr Watts: I thank the Minister for his response. On energy efficiency, will he assure me that the Government will include double glazing in their green deal? Will he meet me and Pilkington glass, from St Helens, to discuss the contribution that that company can make to energy conservation and the impact that VAT increases will have on future double glazing sales in the UK?

Gregory Barker: We want the green deal to be technology inclusive. Any technology or energy efficiency measure that can pass our golden rule of providing the savings needed will be considered very kindly. We want it to be inclusive and for it to drive innovation and technology.

Bridget Phillipson: What reassurance can the Minister give us that he will closely consider the Government's position to ensure that the initiative works for businesses while also driving down emissions?

Gregory Barker: Does the hon. Lady mean the CRC?

Bridget Phillipson *indicated assent.*

Gregory Barker: Absolutely. We had to take a tough decision on the CRC to end revenue recycling, as a direct result of the state of the public finances we inherited. We are talking closely with business and will be having further discussions in the new year to ensure that it remains an efficient measure of driving forward energy efficiency in businesses. We believe that there are billions to be saved in the private sector in that way.

Huw Irranca-Davies (Ogmore) (Lab): This week, the Secretary of State was quoted as saying that he does not mind being seen as the Tesco of energy policy, with more for less—being greener for less. Tesco, however, is one of the organisations that will be stung by the changes to the CRC that have, in effect, made it a crude stealth tax for the Chancellor rather than an intelligent driver of energy efficiency. How did Ministers surrender their green credentials to the Treasury so easily and what does this stealth tax—described politely as a "bit of a bombshell" by a local government spokesman—mean for the public sector as well as for the private sector?

Gregory Barker: The hon. Gentleman is in denial about the appalling state of public finances that we inherited from the previous Government. Yes, the coalition is taking action to reduce the deficit—absolutely. That is why we are not the basket case that we would have been had the Labour party remained in Government. The CRC will help to drive energy efficiency. We know that about £1.6 billion is still paid by large companies in the UK as a result of energy inefficiency and we hope that this measure, which will become more effective, will help to drive greater efficiency in UK plc.

Marine Renewables

7. **Andrew Percy** (Brigg and Goole) (Con): If he will make it his policy to provide long-term revenue support for renewables obligation certificates for marine renewable technology to ensure that developers and manufacturers locate themselves in the UK. [30969]

The Minister of State, Department of Energy and Climate Change (Charles Hendry): We are committed to the establishment of a system of feed-in tariffs in electricity as well as to the maintenance of banded renewables obligation certificates. We have already brought forward the scheduled review of the renewable obligation by a year to give investors greater clarity and confidence. As part of the electricity market reforms, we will set out plans for support for marine and other renewables for the longer term.

Andrew Percy: The Minister will be aware that I represent not only the best constituency but one of the most tidal, with several major rivers including the Ayr, the Ouse, the Trent and parts of the Humber. Does he agree that the Humber area generally has huge potential in terms of marine and tidal energy, and will he commit to supporting the pan-Humber vision of making the Humber a centre for renewable energy?

Charles Hendry: My hon. Friend raises an issue that applies to many parts of this country. The United Kingdom has some of the highest tidal reaches of anywhere in the world and it is our determination that we should lead in marine technologies rather than follow others. Undoubtedly, the Humber has a significant contribution to make in that respect. Many areas could contribute to that process, which is why we are putting in place a marine energy programme with a view to leading to marine energy parks where those technologies can be taken forward.

Mr Geoffrey Robinson (Coventry North West) (Lab): Is the Minister aware that about two months ago, the Minister of State, the hon. Member for Bexhill and Battle (Gregory Barker), met company and trade representatives in my constituency to discuss support for the renewable heat initiative, which I know the Secretary of State has also personally supported? We were expecting a statement last month, this month and now, I hope, in January. Will the Minister look into that

and bring forward the statement? A lot of new work in Coventry and throughout the private sector depends on it.

Charles Hendry: I am not quite sure how renewable heat ties into marine and tidal technologies, Mr Speaker, unless it is very hot water indeed. We are working to bring that to a conclusion; we understand the pressure across the House for that clarity and we will provide it in the very near future.

Andrew George (St Ives) (LD): Now that the wave hub plug is in place off the north coast of my constituency—a very exciting project that scales up for the first time wave energy—what will the Minister do to ensure that it is a great success? In Scotland, ROCs provide a far better return for projects. Will he work with me to ensure that this project is a great success and adds to renewable energy?

Charles Hendry: The project in Cornwall is one of two beacon facilities in the country, the other being in Orkney. That is exactly the approach that we want to take forward for marine energy parks, bringing together the relevant technological, academic and engineering skills that can encourage companies to stay in this country. We have been concerned that some companies have looked overseas to take their technologies forward and we have to put in place the right mechanisms to keep them here in the United Kingdom. Cornwall has a fantastic opportunity in that regard.

Carbon Reporting (Private Companies)

8. **Gregg McClymont** (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): What recent discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on mandatory carbon reporting for private companies. [30970]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): I met my noble Friend the Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs in October to discuss this issue ahead of the coalition's bringing forward further proposals in the new year.

Gregg McClymont: I thank the Minister for his answer, but legislation is already in place to oblige companies to report their carbon emissions. Will the Government use those powers to fight climate change—yes or no?

Gregory Barker: We will announce a robust way forward in the new year that will require a clear route map on how companies are required to report their carbon emissions, as they are required to do by the Climate Change Act 2008.

Miss Anne McIntosh (Thirsk and Malton) (Con): Will my hon. Friend ensure that, through the carbon reporting mechanism, the good work that water companies and others are doing by creating carbon sinks in peat bogs and water storage upstream is more widely known so that we can support it? One example of that is the Pickering pilot project in North Yorkshire, which also brings flood alleviation benefits.

Gregory Barker: As Chairman of the Environment, Food and Rural Affairs Committee, my hon. Friend is well known as an expert on the matter. She makes some very good points and I shall ensure that they are taken into account when we formulate policy on the way forward.

Warm Front

10. **Diana Johnson** (Kingston upon Hull North) (Lab): What estimate he has made of the change in the number of homes in receipt of assistance with heating and insulation improvements consequent on the proposed reduction in expenditure on the Warm Front scheme. [30973]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): The Warm Front scheme is expected to assist approximately 170,000 households in 2010-11. While we transition to the more ambitious green deal framework, DECC will fund a more targeted Warm Front scheme helping approximately 57,000 households in 2011-12 and a further 50,000 households in 2012-13.

Diana Johnson: Warm Front has helped more than 2,000 households in my constituency of Hull North, with energy efficiency measures that have reduced fuel bills and started to fight fuel poverty, but many more households still need help from Warm Front. What guarantee can the Minister give me and my constituents that the help, especially now that we have such severe winter weather, will be available over the next couple of years?

Gregory Barker: Over the next couple of years, we will be transitioning to the green deal. The fact of the matter is that Warm Front per se was not up to the scale of the challenge of renewing and refurbishing our homes in Britain. If we were to rely on Warm Front, at that rate of progress it would take 82 years to refurbish the 14 million homes we need to refurbish. We are going for a much more ambitious scheme—the green deal. It will be a real game changer and we shall introduce measures in legislation in the other place before Christmas.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): The last time I questioned the Minister, he said that we really have to attack fuel poverty. National Energy Action recently forecast that fuel poverty is set to rise to 5.5 million households next year, the highest level for 15 years. That is one in five homes, yet yesterday we learned that this year's money for Warm Front—a key weapon in tackling fuel poverty—has run out. This morning, we have heard about reviews, but with the bitterly cold weather, rising energy bills and the warm homes discount not due to kick in until next year, what are the Government actually doing now to attack fuel poverty?

Gregory Barker: The hon. Lady raises a very important point, but as I just said to her hon. Friend the Member for Kingston upon Hull North (Diana Johnson), Warm Front—the key weapon under the previous Government—signally failed. Under the previous Government, we saw fuel poverty more than double; it rose from 2.5 million in 2005 to 4.5 million now. Warm Front signally failed;

we need to be far more ambitious. The green deal will be the game changer, and it will bring in billions of pounds. As for now, we inherited a Warm Front waiting time for installations of between three and six months. Anyone requiring heating to cope with the cold weather now cannot rely on Warm Front, and I am afraid they never have been able to.

Onshore Wind Farms

13. **Andrea Leadsom** (South Northamptonshire) (Con): What assessment he has made of the efficiency and effect on quality of life of onshore wind farms. [30976]

The Minister of State, Department of Energy and Climate Change (Charles Hendry): The electricity output from a wind farm is a key factor in determining if and where it will be built. The assessment of a planning application includes, among other things, an analysis of visual, landscape and noise impacts. We are constantly looking at ways to ensure that the analysis remains robust and protects the quality of life of people living close to wind turbines. We have already taken action to ensure that the issue of noise is addressed in a standard way across the country.

Andrea Leadsom: I thank my hon. Friend for that answer. Can he tell me what assessment he has made of the Danish state energy company's recent decision to cease building further onshore wind farms, and a similar decision in France in the summer to restrict onshore wind farms, bearing in mind their impact on local communities versus their efficacy? Can he reassure me that in future we will take into account the impact on local communities, and that we will not force them to have wind farms where they do not fit the environment?

Charles Hendry: My hon. Friend will be aware that the United Kingdom is third from bottom in Europe on the electricity it gets from renewable sources, so the situation here is in no way comparable to that in most other European countries. We are absolutely committed to giving local communities greater say on the issues—that is at the heart of the Localism Bill. We are also determined that the host communities should realise real benefits.

Miss Anne Begg (Aberdeen South) (Lab): Perhaps a solution to the question the hon. Member for South Northamptonshire (Andrea Leadsom) has just raised is to put the wind farm offshore. Will the Minister join me in congratulating a project in Aberdeen that yesterday secured €40 million of EU funding to build a centre just off the coast of Aberdeen that will develop technologies that can be used to improve the offshore wind sector?

Charles Hendry: I am delighted to join the hon. Lady in congratulating the company on that development. It is one of the areas of the country where there is the greatest potential, because the skills are already there in the engineering side of the oil and gas sector and the people who work in the area. We hope to see significant gains for the north-east of Scotland from developing those technologies.

Onshore Wind Sources

15. **Nic Dakin** (Scunthorpe) (Lab): What targets he has set for the provision of energy from onshore wind sources in (a) 2011 and (b) 2020. [30979]

The Minister of State, Department of Energy and Climate Change (Charles Hendry): The Government have not set a specific target for onshore wind energy generation. However, our lead scenario as set out in the national renewable energy action plan indicates that onshore wind capacity could be 15 GW by 2020. We are absolutely committed to deploying onshore wind in a way that takes into account the views of local communities and brings benefits to local people.

Nic Dakin: I thank the Minister for his answer. I know he is very committed to onshore wind energy generation and I welcome his passion. When does he expect major announcements to be made by companies as part of the round 3 onshore wind programme?

Charles Hendry: I thank the hon. Gentleman for the assiduity with which he advocates the interests of the Humber region and the role it can play in that regard. I was pleased to meet him and some of my hon. Friends and people representing the South Humber gateway last week to enable me to understand the case they are putting forward in that respect. We are delighted that such companies as Siemens, GE and Mitsubishi have committed themselves to major multi-million pound investments in the offshore wind sector, and we understand that some of those announcements are due to be forthcoming early in the new year.

Electricity Supply

16. **Andrew Bridgen** (North West Leicestershire) (Con): What assessment he has made of the effects on the electricity grid of the weather of November and December 2010. [30980]

The Minister of State, Department of Energy and Climate Change (Charles Hendry): Demand for electricity has been met in full by the normal functioning of the market during this cold period, when electricity demand has been approximately 5% to 10% higher than the seasonal norm. As is usual at this time of year, there have been a few localised disruptions. However, network operators have worked hard to ensure that those consumers affected were restored as soon as possible. We will continue to work with industry to monitor the situation over the rest of the winter.

Andrew Bridgen: I thank the Minister for that reassuring answer, but could he outline to the House what steps he and his Department are taking to ensure that there is sufficient capacity and supply in the system to cope with the predicted energy gap?

Charles Hendry: We are not anticipating an energy gap over this winter in electricity generation. I was at National Grid last week, and we are in daily contact. We are looking at the margins of supply, which remain robust. We are looking at the import capacity for gas. We are looking at the role that all those technologies can play. During these very cold periods, all the energy

companies understand the need to keep their plant ready to generate, to ensure that demand can be met by supply.

Dr Alan Whitehead (Southampton, Test) (Lab): In order to maintain capacity margin over the longer period, what investigation is the Minister making of electricity storage as an additional way of ensuring that margins are maintained, and that supply that comes on stream at inconvenient hours is captured and restored at convenient hours?

Charles Hendry: We are looking at a whole range of different technologies. We are looking at the role of battery storage, hydrogen storage and pumped water storage which is already making an important contribution at Electric Mountain in Dinorwig in north Wales. We are also looking at the role that interconnectors can play, using perhaps pumped storage in countries such as Norway, to enhance our energy security. This is a way of ensuring that renewable energy can be used in such a way that it is there when the demand is there, and it will greatly enhance our energy security in the process.

Green Deal

17. **Robert Halfon** (Harlow) (Con): What recent estimate he has made of the number of homes in (a) Harlow constituency and (b) England which could receive assistance from the Government's proposed green deal. [30981]

The Secretary of State for Energy and Climate Change (Chris Huhne): The green deal will create a completely new market mechanism for driving energy efficiency installations in buildings, incorporating an entirely new obligation on energy suppliers. All 22 million homes, and within that all 35,699 homes in my hon. Friend's constituency of Harlow, could potentially benefit from the green deal.

Robert Halfon: I thank my right hon. Friend for his reply. More than 850 households in my constituency are thought to be suffering from fuel poverty, and fuel prices are rising now. Will the Minister explain what the Government are doing specifically to warm up Harlow homes this Christmas and in the years ahead?

Chris Huhne: As my hon. Friend knows, the discount scheme available to people is a voluntary scheme. We are bringing forward the warm home discount bonus for next year, a scheme that will be clearly underpinned by legislation. In the short run, we are putting pressure on Ofgem, as I have previously described in the House, and Ofgem is putting pressure on the suppliers, to ensure that there are not excessive margins in the industry. In the longer term, which is the key if we are to deal with fuel poverty, we have to deal with its root causes. We cannot go on applying sticking-plasters, in the form of discounts or short-term help. The only long-term solution, as we have seen from the failure of the strategy to deal with fuel poverty over the last few years, when it has risen substantially, is to deal with the root causes by improving energy efficiency in the homes of those affected.

Paul Flynn (Newport West) (Lab) *rose—*

Mr Speaker: With reference to Harlow, England or both?

Paul Flynn: In order to inform myself of the effects of the green deal on Harlow, I researched a website this morning, which states:

"The nuclear industry's key skill over the past half-century has not been generating electricity, but extracting lashings of taxpayers' money."

That was on the website of someone called Chris Huhne. Does this person have any connection with the Secretary of State? Has he sold his principles for a Red Box?

Chris Huhne: The hon. Gentleman should be very aware that the coalition Government are committed to no public subsidy for the nuclear industry for some very good reasons, one of which is in the quotation that he so gracefully supplies to the House.

Domestic Fuel Prices

18. **Dr Thérèse Coffey** (Suffolk Coastal) (Con): What recent discussions he has had with energy companies on domestic oil pricing. [30983]

I declare an interest, as my home is heated by domestic oil.

The Minister of State, Department of Energy and Climate Change (Charles Hendry): I declare an interest, as mine is as well. We are in regular contact with energy companies, including the trade associations that represent those who supply domestic oil. Heating oil is a seasonal product, and its prices vary over the course of the year. I have spoken to the Office of Fair Trading about the price of heating oil, as the enforcement of competition and consumer law is a matter for the OFT, and it assures me that it is keeping a very close eye on the situation and is keen to receive evidence from hon. Members about any market abuse that they experience.

Dr Coffey: I thank my hon. Friend for that answer. Several constituents have contacted me about the price of oil. Mr Gander, in particular, relies on oil for his heating, but his supply is running low. A month ago the price was 39p a litre; it is now 71p a litre, and as a consequence he has switched off his heating system. Will my hon. Friend take up that issue throughout the Government to ensure that people are not frozen out of their homes this winter?

Charles Hendry: My hon. Friend raises an extremely important issue, which is about both pricing and the time that it takes to secure deliveries. People calling today who reckon they will be short of oil over the coming weeks are being told that they will not receive a delivery for three or four weeks. We are monitoring that situation day by day and are extremely aware that, if there is further snow ahead of Christmas, it could become very serious indeed. I ask my hon. Friend to provide evidence on those price increases to the OFT, so that it can investigate them.

Low-carbon Energy Products

19. **Julian Smith** (Skipton and Ripon) (Con): What steps he plans to take to encourage the establishment of community-led low-carbon energy projects. [30984]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): Communities are where big society meets big energy, and the coalition intends to drive new community-led, low-carbon energy projects with strong financial incentives and better information and guidance. We have already acted to allow local authorities to sell the energy that they generate.

Julian Smith: Speaking to representatives of the excellent Settle hydro scheme in my constituency, I was struck by the amount of red tape that they have had to deal with to get the project off the ground, and the legal action that they have had to deal with from environmental groups. Will my hon. Friend make it as easy as possible for community energy projects to get off the ground in the coming 12 months?

Gregory Barker: The Settle micro-hydro scheme is exactly the sort of scheme that we want to see more of and encourage, but my hon. Friend is absolutely right: we need to make it easier for communities to take the initiative. That is why we are making it easier to get through the planning system and providing more financial incentives; and we have also launched a website to give people the information they need.

Nuclear Power Stations

20. **Christopher Pincher** (Tamworth) (Con): What recent progress he has made on facilitating new nuclear power stations without public subsidies. [30985]

The Secretary of State for Energy and Climate Change (Chris Huhne): The Government are committed to removing any unnecessary obstacles to investment in new nuclear, and we have made good progress. We are consulting on the revised draft energy national policy statements, including the nuclear NPS; I made a decision recently, on regulatory justification in respect of the AP1000 and EPR reactors, which was subsequently approved by both Houses, with an enormous majority in this House; we laid the Nuclear Decommissioning and Waste Handling (Designated Technical Matters) Order 2010, which was subsequently approved by both Houses and published last week; there have been consultations on funded decommissioning programme guidance, and an updated waste transfer pricing methodology for the disposal of higher activity wastes; and regulators are on track to complete their assessment of the reactors going through the generic design assessment process.

Christopher Pincher: I am grateful for that answer. Given some of the comments from investors, can the Secretary of State confirm whether there is an appetite in the City to invest in new nuclear and whether we have the domestic skills to decommission our Magnox plants and build a new generation of new nuclear? Will he also confirm whether the planning regime is fit for purpose, so that we can ensure we meet our target of 16 GW of nuclear generating capacity?

Chris Huhne: From my contacts around the City, I believe that there certainly is an appetite to invest not just in new nuclear plant, but right across the range of low-carbon technologies. I hope that we will be able to describe that in greater detail in the statement later. On planning and other issues that could present obstacles, we are considering how to clear the way right across all the technologies we will need in a low-carbon future to ensure that that happens.

Barry Gardiner (Brent North) (Lab): Achieving 16 GW of supply from nuclear, as the Secretary of State has demanded, would require one new reactor coming on stream every nine months from about 2018 onwards. The industry told the Select Committee on Energy and Climate Change the other day that that simply would not happen because there was neither the investment capacity in the City to deliver it nor, indeed, the skills available to build what is required. How will he ensure the continuity of supply that he seeks?

Chris Huhne: The hon. Gentleman knows that the market has always been composed of different views. He is citing one particular institution's view, but that is not the common view of other investors in the City. The funds will be forthcoming and we will describe the incentives that we are putting in place for the low-carbon future that we want in the statement later today.

Green Deal

21. **Mr Mark Spencer** (Sherwood) (Con): What plans he has to meet representatives of the heating industry to discuss the proposed green deal for energy efficiency. [30986]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): I have recently met heating industry representatives and have invited the heating and hot water taskforce and the Heating and Hotwater Industry Council to be represented on the green deal stakeholder forums that I have established. I want the whole industry to be actively engaged with us on the green deal.

Mr Spencer: I am grateful to the Minister for his response. I was interested to hear his response to the question from the hon. Member for St Helens North (Mr Watts) on the consideration of glazing in the green deal. Will the Minister confirm that he will consider the replacement of old and inefficient heating systems in the green deal?

Gregory Barker: There will certainly be scope for heating systems to be included in the green deal. We want the green deal to be as technology-inclusive as possible, and we want to drive innovation. Any energy efficiency measure that costs less to install than it pays back over a specified period will be eligible. That includes heating measures.

Heating Bills (Newcastle upon Tyne Central)

22. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): If he will assess the effect of recent winter weather on the heating bills of the elderly and others in the Newcastle upon Tyne Central constituency. [30987]

The Minister of State, Department of Energy and Climate Change (Gregory Barker): Local area energy data are produced on an annual basis covering all homes in a local area. As such, it is not possible to assess short-term changes in energy consumption by

specific household types. However, the latest information suggests that eligible households in the Newcastle upon Tyne Central constituency have received between one and three cold weather payments so far this winter.

Chi Onwurah: This week, Eaga—the green energy company that is headquartered in Newcastle—placed 1,400 people on notice of redundancy as a direct result of the 70% cuts to the Warm Front programme that the Government have implemented. Considering 18% of Newcastle constituents live in fuel poverty, will Newcastle not suffer twice over as a result of the Government's approach to fuel poverty?

Gregory Barker: I am very sorry to hear about the redundancies at Eaga. That is very regrettable. Eaga still has to fulfil about 70,000 jobs this winter, between now and the end of the financial year. However, we need to get more investment into the energy efficiency sector in the long term, which means opening it up to the private sector and getting in billions not hundreds of millions. The green deal is the way forward to achieve that.

Topical Questions

T1. [30988] **Robert Halfon** (Harlow) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Energy and Climate Change (Chris Huhne): Since the last departmental questions, we have helped to secure an agreement at the United Nations climate change conference in Cancun. We have published the Energy Bill, which includes measures to boost investment in low-carbon electricity generation, to improve energy security, and to give companies better access to upstream oil and gas. The Bill also sets out the infrastructure of how the green deal energy efficiency programme will work, with particular reference to those in fuel poverty.

Robert Halfon: Given that Labour Members blame us for everything, including the weather, may I ask my right hon. Friend, in his capacity as climate change Minister, if he can do anything to ensure that we have a white Christmas in Harlow?

Chris Huhne: There are limits to my powers. I think that the most popular legislation that this House could ever bring forward would be a short Bill requiring it to rain only between the hours of 2 o'clock and 4 o'clock in the morning. Sadly, the technological capability to deliver quite such meteorological results is not yet with us.

Several hon. Members *rose—*

Mr Speaker: Order. There is huge interest, as colleagues can see, and I want to try to accommodate it, but we must have brief questions and brief answers.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Given the list that the Secretary of State just read out, one would think that he sees himself as Action Man, but we heard this week that he describes himself as Tesco Man. Last time I questioned the Government about green investment, the Minister of State, Department of Energy and Climate Change, the hon. Member for Bexhill and Battle (Gregory Barker), reassured the House that plans for the green investment bank would be unveiled in the spring. Yesterday, I read that the Secretary of State has lost out to the Treasury and that this much-vaunted green investment bank is to be a fund with nowhere near enough resources to generate the £200 billion necessary for investment in green technologies. The question is whether the country has lost out. Given the impact on British business, job creation and the climate, a properly functioning bank cannot wait, and this confusion is very unhelpful to British business. Will he tell the House what is happening?

Chris Huhne: I am grateful to the hon. Lady for her question. I can assure her that this matter is still under review by Ministers on the time scale that we were anticipating. Much as I like and respect *The Guardian*, having worked for it for 10 years, I have to say that its report gave only a partial view of what I said. I said, among other things, that ducks quack and banks borrow and lend. The Chancellor of the Exchequer was the person who put forward the idea of the green investment bank when he was in opposition, and he knows very well what a bank is. I am absolutely convinced, therefore, that we will have an institution that does exactly what it says on the tin.

Meg Hillier: We still do not have certainty. We hear that the matter is "under review" but we believed that it was a Government commitment. I am proud to be the first Labour/Co-op shadow Secretary of State for climate change, and the Secretary of State has described himself as very happy to be the Tesco of the energy industry. Yet without the green investment bank, whichever model we choose, we will not see the benefits that we want to see. The Minister of State, the hon. Member for Bexhill and Battle, spoke earlier of the importance of community energy and smaller suppliers; we want energy to benefit all. We want to see this bank up and running, and the Secretary of State will have support from the Opposition if it gets going. Will he consider joining me, as the advocate of co-operative climate change, in working for the benefit of all, with the green dividend and green investment shared fairly through an up-and-running bank?

Chris Huhne: I agree that we have to look very carefully at the sources of finance for green investment. There are undoubted obstacles in the way of some of the technologies that are furthest away from the market, in particular, and that makes the very important case for the green investment bank. That—not the concept—is what is under review at the moment. The commitment to a green investment bank is clearly in the Government's coalition agreement, and it was an idea of the Chancellor of the Exchequer. Some of the reports suggesting that the Chancellor would want to murder his own baby seem a little far-fetched.

T7. [30995] **Ian Swales** (Redcar) (LD): Following on from that question, will the green investment bank include the proceeds of asset sales, as the Chancellor announced recently? Given the importance of green investment to the Tees valley, will the Secretary of State consider putting the administrative centre of the bank in the Tees valley?

Chris Huhne: I am grateful to my hon. Friend for his question about the siting of the bank, but that is a little premature given where we are at the moment. I am afraid that quite a long list of hon. Friends and others are advocating the benefits of that to their constituencies.

Capital endowment of £1 billion for a green investment bank was allocated in the comprehensive spending review in 2013-14. I have made it clear that we are continuing to look for asset sales. In our Department, we are looking for asset sales from URENCO, for example, but there are other asset sales across Government that could also be used. We will attempt to use that process to ensure that the institution has the proper endowment of capital necessary for its task.

T2. [30989] **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): The green deal is based on loans, which many of my constituents cannot afford, and it places the responsibility for tackling fuel poverty in the hands of the energy companies that have created a national rise in fuel bills of 139% since 2003. Will the Secretary of State explain how the green deal will help the poorest and most vulnerable in my constituency?

Chris Huhne: I am happy to answer the hon. Lady, because her question is based on a misunderstanding of the green deal. There is no requirement for anybody to take out personal finance to fund the green deal. The whole point is that finance will be provided for the householder. The company that provides the finance will recoup its return from the householder's savings on their energy bills. In addition, we will reshape the carbon emissions reduction target and community energy saving programme obligations on energy suppliers into an eco-obligation, one of the key objectives of which will be to provide additional support to those in fuel poverty. Such people will therefore be able to go ahead with the green deal, even if the anticipated savings on their bills are not adequate to pay for the installation.

T8. [30997] **Rehman Chishti** (Gillingham and Rainham) (Con): When does the Secretary of State expect green deal finance to be extended to microgeneration?

Chris Huhne: The coalition agreement anticipated that we might extend green deal finance to microgeneration. We are working on the assumption that green deal finance will be available for insulation measures, because we have secured outstanding incentives for microgeneration through the feed-in tariffs, as was confirmed in the comprehensive spending review. Green deal providers will offer microgeneration proposals precisely because the incentives are so good.

T3. [30990] **Pat Glass** (North West Durham) (Lab): Like the hon. Member for Suffolk Coastal (Dr Coffey), who is no longer in her place, many of my constituents who live in rural areas rely on heating oil, the price of which has more than doubled in the past two months. Companies are now refusing to deliver less than 1,000 litres, which is having a massive impact on families and on schools, colleges and hospitals. What will the Minister do now to deal with that exploitation?

The Minister of State, Department of Energy and Climate Change (Charles Hendry): I would be very grateful if the hon. Lady could give me more details, because we have also heard that some companies are asking people to take lower amounts so that the delivery lorries can get to more homes and more people before Christmas. That is obviously the sensible approach. I would be very concerned if companies were artificially raising the amounts that they expected people to buy at this time.

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): As we speak, severe weather is sweeping through the north of the country and heading south. Referring back to the Secretary of State's remarks about Ofgem, will he stress in all his dealings with that body that for those living in the coldest parts of the country, such as the highlands of Scotland, a fair set of tariffs must be applied that are relevant to their circumstances? There is a real feeling of social injustice, which I believe is entirely justified.

Chris Huhne: I am grateful to my right hon. Friend for that question. As he knows, Ofgem is reviewing competitiveness in the market and the scale of the margins. In addition, a discount scheme is in place for those in fuel poverty, and we will underpin that. The Government are committed to preserving winter fuel payments, and to ensuring that cold weather payment schemes continue. Whatever the weather brings for us over the next few weeks, I hope that we will be in a position to help those who are most hard-pressed. I return to the fundamental point, which is that we have this problem every winter, again and again, and it is time that we dealt with its root causes through energy efficiency measures for those in rural poverty, rather than attempting constantly to put sticking-plasters on it.

T4. [30992] **Hugh Bayley** (York Central) (Lab): Today the Secretary of State told the House that energy bills in private rented housing can be as much as six times higher than in modern social housing. Why do the Government not use the Energy Bill to require all private landlords to comply with minimum energy efficiency standards, and not just when a tenant requests it?

Chris Huhne: The Bill will allow us to move forward on F and G-rated homes, for example, if there is not a sufficient improvement in the private rental sector. There is clear provision for us to regulate to deal with the problem.

Neil Parish (Tiverton and Honiton) (Con): Referring again to Ofgem, in the past month crude oil prices have risen by 17% but consumers are paying 70% more. Is it not time that the Government took on the oil companies to ensure that my constituents get a fair deal on oil prices? Many of them have no choice but to have oil.

Charles Hendry: There are two aspects to the matter. Clearly it is seasonal, with demand going up at this time of year, which inevitably pushes prices up, as with turkeys, Christmas trees and so on. However, there is a fundamental problem in the oil market, because people are not getting deliveries when they need them, even when they order well ahead. We are therefore asking colleagues to give evidence to the Office of Fair Trading so that it can see whether there is evidence of collusion or inappropriate practices.

T5. [30993] **Kelvin Hopkins** (Luton North) (Lab): Recent satellite photographic evidence shows that thousands of homes in my constituency are still not properly insulated and are pouring heat into the atmosphere. Given that the Government's plan A for the economy is clearly already failing, would it not be sensible to have a national crash programme of home insulation as part of the Cabinet Secretary's plan B?

Chris Huhne: The hon. Gentleman may have read recently about the crash programme to do exactly that in Australia. It resulted in large numbers of builders who were not properly trained putting nails through wires in people's lofts and setting fire to houses. People died, and it was all over the front pages of the Australian tabloids. The result was that energy efficiency got the most appalling name. I intend that the green deal programme will avoid all those pitfalls and deal with the problem genuinely and thoroughly.

Tessa Munt (Wells) (LD): Will the Secretary of State join me in welcoming the news of National Grid's announcement yesterday that it will consult residents in the levels and moors in Somerset, Suffolk's Stour valley and other parts of the country on undergrounding electricity power cables rather than using pylons? Will he congratulate residents on their peaceful and persistent campaign, which will ensure that residents in rural areas benefit from the technology that is taken for granted in urban areas, where undergrounding is standard practice?

Charles Hendry: I do indeed congratulate National Grid on undertaking a public consultation on whether the cost of undergrounding is acceptable to the public. I also welcome the research being carried out by the Institution of Engineering and Technology, because people in areas affected by new pylons need to be absolutely convinced of the relative pricing of overgrounding and undergrounding.

T6. [30994] **Bridget Phillipson** (Houghton and Sunderland South) (Lab): My constituents have faced an incredibly difficult winter, and they want to know what action the Government will take now, not in the future, to make energy companies bring down their prices.

Chris Huhne: The action that Ofgem is taking is now, not in the future. It is reviewing the matter and making it very clear to the energy companies that margins that are not justified by the economics will incur its wrath, the use of its powers and potentially a competition inquiry. I merely refer to my earlier answer about all the action that the Government are undertaking to try to ensure that people are protected in these difficult times through cold weather payments, winter fuel payments and the voluntary discount scheme. We want to ensure that the people are who most adversely affected are protected.

Mark Pritchard (The Wrekin) (Con): Palm oil plantations are now seen as a new cash crop in various parts of the world, but they cause mass deforestation and a huge loss of wildlife habitats. What can the Secretary of State do to ensure that we have a global deal on palm oil plantation that is sustainable for wildlife and the world's natural resources?

The Minister of State, Department of Energy and Climate Change (Gregory Barker): One of the real steps forward at Cancun was progress on rainforests and forestry in general. Within the package of measures that was agreed was clear text making it absolutely crystal clear that preserving biodiversity and preventing perverse consequences of supporting palm oil plantations would be a key part of rainforest protection and funding.

Malcolm Wicks (Croydon North) (Lab): On energy security, will Ministers examine critically the supply obligation that we place on companies, given that the tendency to buy short term rather than long term, and sometimes on the spot market, means that there can be no absolute guarantee that the supply will be in place in critical and extreme times for the world?

Charles Hendry: That is an element of the Energy Bill. We will increase the supplier obligation to ensure that suppliers can meet demand at times of greatest demand. I have also spoken with other Governments – Qatar this week and Norway more recently – about how to secure more long-term contracts to provide greater security of supply and greater price predictability.

Mr Tom Watson (West Bromwich East) (Lab): I am very concerned about what I have heard in the Chamber this morning. Hon. Members have said that there is a shortage in the supply of oil, that their constituents are going cold, and that schools and hospitals are losing out. We obviously have an oil supply crisis. The Minister of State, the hon. Member for Wealden (Charles Hendry), says that he wants suppliers to ration their oil, but will the Secretary of State take personal command of this situation, call in the oil supply companies and sort this out?

Chris Huhne: I have complete confidence in the Minister of State, my hon. Friend the Member for Wealden (Charles Hendry), who has responsibility for energy. He has been absolutely hands on in dealing with that matter and has kept me informed. I believe that the measures he is taking are absolutely appropriate, but we are watching the situation day by day to ensure that the heating oil supplies are there.

Several hon. Members *rose*

Mr Speaker: Last but not least, I call Caroline Lucas.

Caroline Lucas (Brighton, Pavilion) (Green): In the light of the role that the World Bank could play in establishing and managing the new green climate fund, which was set up following the Cancun agreements, will the Secretary of State comment on the current level of fossil fuel lending undertaken by the World Bank group, and will he support a major shift to lending for renewables instead?

Chris Huhne: The Government have repeatedly said, and I entirely agree, that the lending practices of the World Bank and other institutions must reflect the overwhelming need that we have as a globe to move towards a low-carbon economy. It is certainly dispiriting to find that that need was not reflected in some of the loans that were approved recently by the World Bank.

Several hon. Members *rose*

Mr Speaker: Order. I am sorry but we must now move on.

Business of the House

11.37 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 20 December will be:

MONDAY 20 DECEMBER—General debate on firearms control. In addition, my right hon. Friend the Prime Minister plans to make a statement on the European Council.

TUESDAY 21 DECEMBER—Pre-recess Adjournment debate, the format of which has been specified by the Backbench Business Committee.

The House will not adjourn until the Speaker has signified Royal Assent. The House will meet at 11.30 am and be subject to Wednesday timings should it agree to the motion at the end of today's business.

The provisional business for the week commencing 10 January will include:

MONDAY 10 JANUARY—Second Reading of the Armed Forces Bill.

TUESDAY 11 JANUARY—Consideration in Committee of the European Union Bill (day 1).

WEDNESDAY 12 JANUARY—Remaining stages of the Postal Services Bill.

THURSDAY 13 JANUARY—Remaining stages of the National Insurance Contributions Bill.

The provisional business for the week commencing 17 January will include:

MONDAY 17 JANUARY—Second Reading of the Localism Bill.

I should also like to remind the House that the business in Westminster Hall for 13 January and 20 January 2011 will now be:

THURSDAY 13 JANUARY 2011—A debate on the impact of the comprehensive spending review on the Department for Communities and Local Government.

THURSDAY 20 JANUARY 2011—A general debate on anti-Semitism.

May I take this opportunity to wish you, Mr Speaker, and all right hon. and hon. Members a very happy Christmas and new year, and to thank all those who have kept the House running smoothly this year, particularly the security staff, the police, the Serjeant at Arms and the team who have kept the House running without interruption? I should also like to thank the staff involved in providing services and a welcome to new Members following the general election, including the Clerks, the Officers and staff of the House, the Doorkeepers and the cleaners. A merry Christmas to all.

Hilary Benn: I thank the Leader of the House for his statement. Following the decision of the deputy Chief Whip this morning to break the convention that the party holding a seat moves the by-election writ in the case of seats declared void after an election, which is what happened in Winchester in 1997, can the Leader of the House confirm that nearly 1,000 students in Oldham East and Saddleworth are likely to be disfranchised in this by-election because they will not have returned to university by 13 January, which is the date that the coalition has picked, whereas they would have returned by 3 February, which is the date that we would have moved? Does this not show that the coalition is running scared of the judgment of students at the ballot box?

Does the Leader of the House have any news on when the Prime Minister will come to the House to explain why, week after week, he is breaking promise after promise? When he does appear, will he also explain something else? All summer long, he and the Chancellor have been telling us triumphantly that everyone supports their economic policy. Well, not any more they don't! What are we to make of the leak of a memo from the country's top civil servant, Sir Gus O'Donnell, telling the Prime Minister that in case plan A on the economy does not work, he needs to have a plan B? May we have a debate, therefore, on what plan there is to stop unemployment continuing to rise next year, as people in the public sector—including, as the people of Oldham will see, the 1,387 uniformed police officers in Greater Manchester who are to go—are thrown out of their jobs by the very Government they loyally serve?

Last week, the Justice Secretary, having told us he wants prisoners to have the vote, said that prison is not succeeding. A few days later, the Home Secretary flatly contradicted him when she said that prison works. When will the Prime Minister sort out this squabble? Perhaps he could set up a court—assuming he can find one that is still open—summon them both, hear the evidence and deliver a verdict. I suppose, technically, that would mean making a statement on which of these warring Cabinet Ministers is speaking for the Government.

Last week, the ConservativeHome website reported that there was a pretty difficult meeting of the 1922 committee, with a lot of cross MPs, on the subject of the Independent Parliamentary Standards Authority—I have to say that we all know the feeling. Following last night's meeting, may we have a statement on what the Government plan to do about IPSA? The grumpiness on the Tory Benches shows that it is not so much the season of good will as seething ill will and loathing. One Tory MP said last night:

"The coalition is an imperial clique".

I am open to suggestions on who on the Government Benches is Caligula and who is Nero.

The former head of the Prime Minister's social mobility taskforce, the right hon. Member for Haltemprice and Howden (Mr Davis), talked of sheer hostility towards the coalition leadership. Apparently, he went on to say that it was about a lot of things, including fees and being taken for granted, but especially about the Liberal Democrats being allowed

"to say what they like and do what they like".

I have a lot of respect for the right hon. Gentleman, but has he only just noticed that about the Lib Dems? They have been doing it for years. Will the Leader of the House therefore assure his Back Benchers that there will now be a debate on how to stop Lib Dem Members getting in the way of Tory Members' upward ministerial mobility?

With all this unhappiness, Mr Speaker, may I join the Leader of the House in wishing you, the Deputy Leader of the House, all hon. Members and all the staff, who serve us so well, a merry Christmas and a happy new year? As for Christmas presents, I hope that everyone

gets what they wish for, although I am sorry to say that, for Lib Dem voters, even though their stockings were hung by the chimney with care in hope that St Nicholas would soon be there, they will not be receiving that shiny new tuition fees pledge they were promised, because St Nick has let them down.

Sir George Young: I thank the right hon. Gentleman for his response, his Christmas wishes and indeed his Christmas card. Of course, for the Labour party this is always a time of giving. I have been looking through what he has been giving over the past few business questions—he digs deep into his sack each time. He has promised higher spending on child benefit and housing benefit, lower VAT in the new year and more university funding. We all applaud him on his festive generosity, but until the Labour party comes up with a credible way of paying for it all, it will have no more credibility than Santa Claus. I ask him—*[Interruption.]*—People will not believe in the Labour party any more than they believe in Santa Claus unless the Opposition come up with some decent answers.

The right hon. Gentleman could have had a debate on the writ for the by-election. However, the Labour party chose not to do so, so it is a little rich of him to ask me for one now. The Opposition could have had a debate if they had objected an hour ago to the writ being moved. It is astonishing that they do not want the by-election to be held, when their own candidate has said:

"I can't wait until polling day."

so what is all the fuss about? The precedent from Winchester quoted by the right hon. Gentleman is simply not accurate. There is a collective loss of memory on the Opposition Benches about what happened in Winchester. The seat was previously held by a Conservative Member of Parliament, and the Liberal Democrat Chief Whip moved the writ. Therefore, in the most recent precedent of a seat being declared void, the Chief Whip of the party previously holding the seat did not move the writ.

Moving quickly through the other issues that the right hon. Gentleman mentioned, let me say that the Prime Minister is here every week to answer questions, and he will continue to do so.

On the Sentencing (Reform) Bill, the right hon. Gentleman will know that the Green Paper published last week was a collective document, published by the Cabinet and the Administration as a whole. In the robust evidence that my right hon. and learned Friend the Lord Chancellor gave to the Select Committee on Justice, he made it clear that there was not a cigarette paper between him and the Home Secretary.

On plan A and plan B, at least we have a plan A. The Labour party does not even have one coherent strategy on the economy. Indeed, yesterday the shadow Home Secretary, the right hon. Member for Morley and Outwood (Ed Balls), criticised the Leader of the Opposition for his performance at Prime Minister's questions, saying that

"we have a huge responsibility to take these arguments to the country but we can't do that if we are dividing amongst ourselves."

On unemployment, the shadow Leader of the House will have seen the forecast by the Office for Budget Responsibility, which stated that unemployment is set to fall next year and every year thereafter, and that the fall in employment in the public sector is more than counterbalanced by the rise in employment in the private sector.

Finally, on IPSA, the position is absolutely clear. We had a useful debate on IPSA—I think on 2 December—and the Government abide by the resolution, passed without Division by the House at that time, that IPSA should be given an opportunity to review the regime and come up with an alternative by 1 April.

Several hon. Members *rose—*

Mr Speaker: Order. Many right hon. and hon. Members are seeking to catch my eye, but there is a statement to follow and then Backbench Business Committee business, so there is a premium on brevity from Back Bench and Front Bench alike.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): My right hon. Friend is aware—I have banged on about this enough times—of problems with flooding in my constituency, but we now have a new precedent. The Environment Agency has decided to spend £28 million flooding farmland in order to tick a box for Europe. It is nothing to do with this country; it comes from a European directive. There is now an entire village of people worried that they will be cut off and will have to be removed if the plan fails. This is not the first such case, but things are now getting extremely serious, so may I ask for Government time in which to debate what the Environment Agency is doing?

Sir George Young: Of course I understand the seriousness to which my hon. Friend refers and the anxiety in the village concerned. He will have an opportunity on Tuesday to raise the matter in the last debate of the year, but in the meantime, I will draw the matter to the attention of my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs and see whether any action can be taken at ministerial level to allay the concerns that he has expressed.

Natascha Engel (North East Derbyshire) (Lab): These being the last business questions before Christmas, may I again urge the Leader of the House to allocate more time to Back-Bench business, to compensate for the fact that the Session has been extended to April 2012? While he is working out how many more days to allocate to Back Benchers, can he also look at what days he allocates? The Government are still predominantly giving Back Benchers Thursdays on which to hold their debates, when really we would like a much clearer spread across the parliamentary week.

Finally, may I join the Leader of the House in wishing everybody a very happy Christmas? I would particularly like to wish the Doorkeepers well in the darts world championship, in which our very own House of Commons darts team is taking part. Will he join me in wishing them well on Sunday?

Sir George Young: On the first point, the hon. Lady is quite right to say that, because the Session is longer than it would normally be, there are implications for days allocated to private Members' Bills, Opposition days and Back-Bench business days. Early in the new

[Sir George Young]

year, discussions will commence through the usual channels, and also involving the hon. Lady, to allocate more days because the Session is to run until spring 2012. On her point about Thursdays, roughly a third of the days allocated to her Committee have not been Thursdays, but I take her point. So far as the Doorkeepers are concerned, I hope they are as accurate with their arrows as they are in forecasting the time at which the House will rise.

Anna Soubry (Broxtowe) (Con): Will the Leader of the House be so good as to ensure that time is set aside so that we may debate the Government's Green Paper on sentencing as soon as possible, and long before the end of the consultation period, please?

Sir George Young: I note my hon. Friend's interest in this matter. My hon. Friend the Member for Kettering (Mr Hollobone) had a debate on this important subject in Westminster Hall on Tuesday, and the Sentencing (Reform) Bill is going through the House, which will give Members ample opportunity to debate the Government's proposals. The Green Paper makes it clear that, despite record spending, we are not delivering what really matters, and society has the right to expect the criminal justice system to protect it.

John McDonnell (Hayes and Harlington) (Lab): I welcome the written statement this morning about the detention of asylum seekers' children, but may I express my disappointment that it was a written statement rather than an oral statement? May we have an oral statement or a debate on this matter in the new year? My fear is that, although we are transferring children from the large detention centres, we might simply be transferring them to smaller detention units.

Sir George Young: I am grateful for the hon. Gentleman's welcome for the written ministerial statement. Any Government have to strike a balance between written ministerial statements and oral statements, given the impact that a number of oral statements can have on the business of the House. He makes a strong case for that matter being debated, however. The alternative to Yarl's Wood, whose closure I am sure he will welcome, has been piloted, and he might have heard Martin Narey of Barnado's on the "Today" programme welcoming this initiative while recognising that there needs to be some secure accommodation available in the days before deportation. Also, the hon. Member for North East Derbyshire (Natascha Engel), the Chair of the Backbench Business Committee, might have heard his bid for a debate on the policy.

David Tredinnick (Bosworth) (Con): Can my right hon. Friend tell me whether he had any say, as Leader of the House and on behalf of the House, on the routing of the recent demonstrations outside the House? Given that it is possible that Parliament square will be restored under the provisions of the Police Reform and Social Responsibility Bill, does he agree that it would be unwise to put large numbers of demonstrators into the restored square?

Sir George Young: The answer to the first question is no; that was an operational matter for the police, and I did not have any say. My view is that it would be wrong to allow encampments in Parliament square, and the whole point of the clauses in the Bill is to restore the square to the position it was in when my hon. Friend first joined the House—namely, a square in the middle of an historical capital city surrounded by Westminster abbey, this building and other significant buildings—rather than being despoiled by a shanty town.

Thomas Docherty (Dunfermline and West Fife) (Lab): I thank the Leader of the House on behalf of all Members for his support throughout the year on a number of issues. He will be aware of the great anxiety surrounding Tuesday's pre-Adjournment debate, as it is fast approaching becoming a car crash. Will he now, even at this late stage, speak to the Backbench Business Committee to ensure that all Members get genuine answers from the Deputy Leader of the House in that debate, and that it does not become a shambles?

Sir George Young: At this moment, the hon. Gentleman is a lot closer, physically, to the Chairman of the Backbench Business Committee than I am, and she will have heard his question. What is proposed is a pilot, and the Committee is anxious to hear hon. Members' views on the proposed format, which will give the Government more certainty about the issues that are being raised, and therefore a better opportunity to respond, although it is slightly less flexible. I very much hope that the Parliamentary Secretary, Office of the Leader of the House of Commons, my hon. Friend the Member for Somerton and Frome (Mr Heath), who will be replying to the debate, will have adequate time at the end of the debate to respond to all the issues that have been raised, but that will depend on discipline being exercised during the debate to give him adequate time to address the House at the end.

John Stevenson (Carlisle) (Con): The 2012 Olympics will be a significant sporting event and, on the back of that, there will undoubtedly be a significant boost to tourism. Will the Leader of the House make a statement telling us how the Government will ensure that the boost to tourism will also benefit the tourism industry in constituencies such as Carlisle?

Sir George Young: This Government are very anxious, as were the previous Government, that the benefits of the Olympics should filter out to all parts of the country. The London Organising Committee of the Olympic Games and Paralympic Games has established the nations and regions group to ensure UK-wide engagement and to maximise the legacy from London 2012. The group is working directly with representatives from each of the nations—and, indeed, the regions—to realise the sporting, economic and cultural benefits of the 2012 games. My hon. Friend's constituency and the wider north-west stand to gain from the wide range of opportunities created by the games.

Valerie Vaz (Walsall South) (Lab): Female genital mutilation affects more than 20,000 women and girls in this country, some of them as young as 12 months old. A brilliant midwife, Alison Burns, has set up a clinic in the west midlands on her own initiative to deal with this

matter. May we have an urgent debate on why there has not been a single prosecution, despite the fact that the Female Genital Mutilation Act 2003 makes this practice illegal?

Sir George Young: The hon. Lady has raised a valid issue, and of course I will raise the matter with the appropriate Secretary of State. I think I am right in saying that she has one of the debates on Tuesday, on women and human rights, at which time she might have an opportunity to touch on that matter, but I will certainly ensure that she gets a reply on that specific issue from whichever Minister replies to that section of the debate.

Mr Alan Reid (Argyll and Bute) (LD): May we have a debate on the Department for Work and Pensions contract for cashing benefit cheques? The contract is currently held by the Post Office and, whereas other competitors might be able to put in cheaper bids, they cannot possibly match the Post Office on quality. Paypoint, for example, has no outlets on many of the islands or anywhere in rural north Argyll. In the recent terrible weather, the Post Office made a big extra effort to keep its branches supplied with cash, and it deserves to keep this contract.

Sir George Young: I commend my hon. Friend on raising this issue, and I have seen his early-day motion on the subject. As he probably knows, the Government have yet to announce the contract, but I shall draw his comments to the attention of my right hon. Friend the Secretary of State for Work and Pensions.

Mr John Spellar (Warley) (Lab): May we have a debate as soon as possible on the conventions of this House? Conflict is inevitable in Parliament—even the geography of the Chamber reflects that—but we have rules and conventions to keep it within manageable limits. If, however, political parties gratuitously break those conventions for short-term party political advantage, as the Lib Dems have done today, that has serious implications for Parliament, and that matter needs to be examined in greater detail, rather than in the cavalier manner that it was dealt with today.

Sir George Young: I reject the accusation that anything has been done in a cavalier manner. As I said in response to the right hon. Member for Leeds Central (Hilary Benn), the convention that has been followed in this case exactly replicates the convention that was followed the last time a seat was declared void, which was in the constituency of Winchester.

Henry Smith (Crawley) (Con): Following the recession, many over-50s in my constituency are, regrettably, finding it very difficult to get back into work, and I know that that issue extends across the country. I would be grateful if time could be found for a debate on encouraging employers to look kindly on re-employing those who find themselves out of work over the age of 50.

Sir George Young: My hon. Friend makes a good point. He will know that we are introducing a new Work programme from early next year, and my right hon. Friend the Secretary of State for Work and Pensions is anxious to ensure that job seekers of all ages get the tailored and personalised support that they need to get back to work. I will draw my hon. Friend's remarks to the attention of the Secretary of State.

Pete Wishart (Perth and North Perthshire) (SNP): Last week, during the tuition fees debate, the Minister for Universities and Science, the right hon. Member for Havant (Mr Willetts) probably inadvertently misled the House when he said that there were more Scottish university students studying in England than there were English university students studying in Scotland. According to the latest figures, 11,805 Scottish students were studying in English universities, while in the same academic year, some 22,510 English students were studying in Scottish universities. I know that the Leader of the House takes these matters very seriously. Can we now expect a statement from the Minister to put that right?

Sir George Young: It is certainly the case that, if a Minister has inadvertently given inaccurate information to the House, the appropriate action should be taken and the record should be set straight. If one of my hon. Friends did indeed give the wrong information, that will happen, and I will draw the hon. Gentleman's remarks to the attention of the appropriate Minister.

Andrew Stephenson (Pendle) (Con): Will the Leader of the House allow us a debate on the local government finance settlement, which was announced earlier this week, now that councils have had time to digest the news? There is real concern in my constituency about the way in which the transitional grant has been calculated. The calculation of Pendle's revenue spending power for 2010-11 is significantly understated. It does not include several amounts that were included in revenue grants received last year. If those amounts were included, the transitional grant would be boosted by more than £1 million.

Sir George Young: As a former local government Minister, I know that there is no way of coming up with a draft settlement that satisfies every single local authority. As my hon. Friend will know, we are consulting on the proposals announced on Monday, and if he or members of his local authority have comments to make about the settlement, they should make them. There will be an opportunity to debate the final settlement when it is laid before the House next year.

Fiona Mactaggart (Slough) (Lab): Will the Leader of the House invite the Home Secretary to come to the House again to correct comments that she made about public order policing in her statement last Monday? She informed the House then that protesters

"who remained peaceful and wished to leave via Whitehall were able to do so." —[*Official Report*, 13 December 2010; Vol. 643, c. 665.]

When I pressed her on that, she confirmed it. Since then an e-mail has been passed to me by, among others, my right hon. Friend the Member for Oxford East (Mr Smith), which reports that peaceful protesters spent hours trying to leave and being prevented from doing so by police. Although the police told them that they could leave, they actually prevented that from happening. Will the Home Secretary come and tell us the truth about the policing of the demonstration?

Sir George Young: The hon. Lady will have an opportunity to raise the issue with my right hon. Friend the Home Secretary during the next session of Home Office questions. In the meantime, I will of course draw her remarks to my right hon. Friend's attention and establish whether she wishes to respond to them.

Mr Lee Scott (Ilford North) (Con): Will my right hon. Friend allow Government time for a debate on the provision of health and education for children with special needs, who are some of the most vulnerable children in our society?

Sir George Young: I commend the work that my hon. Friend has been doing on this issue for many years. The Government believe that the most vulnerable children deserve the highest quality of care. We expect a Green Paper on special educational needs to be published very soon, and we would welcome his comments on it.

Mr David Lammy (Tottenham) (Lab): May we have a debate on the Olympic legacy? It has become clear that one of the bids involves a complete dismantling of the legacy to athletics, and that is important to the House. Moreover, much that Legacy Trust UK is doing is being done behind closed doors, in secrecy. It is of grave concern that one bid involves the building of a supermarket on the Olympic site: that cannot be right. We need a debate to discuss the legacy for the young people of this country.

Sir George Young: I agree with the right hon. Gentleman. Of course we need a legacy for young people after the Olympics. I cannot promise an early debate, but I will draw his remarks to the attention of my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport. The matter might also be a worthy subject for an Adjournment debate.

David T. C. Davies (Monmouth) (Con): Many of us look forward not only to the royal wedding, but to finding out what title will be bestowed on Prince William. Will the Leader of the House remind the Privy Council that the dukedom of Monmouth has been vacant since 1685, for reasons best glossed over? I am sure that the residents of that county would be delighted to be associated with the royal wedding in any way possible.

Mr Speaker: I am sure that the hon. Gentleman was seeking a statement on the matter.

Sir George Young: My hon. Friend risks opening a bidding war in the Chamber among other hon. Members who wish their constituencies to be recognised in the same manner. Let me simply say that, although I note his remarks, the issue is way, way above my pay grade.

Mr David Hanson (Delyn) (Lab): May we have another early debate on the funding of universities? As the Leader of the House will know, in Wales—my area—the Welsh Assembly Government are not applying fees. Next week the Scottish Government will probably decide not to do so either, as will the Northern Ireland Government. Why are the Conservative-Liberal Democrat Government picking on English students?

Sir George Young: I honestly think that the House has had adequate opportunities to debate tuition fees this month. There has been an Opposition day debate on the subject, as well as a full day's debate on the order and the regulation last week. The discrepancy between what happens to English students and what happens to other students flows from the devolution settlement.

Mark Pritchard (The Wrekin) (Con): Ghana, one of the most stable democracies in Africa, is about to pump its first commercial oil, worth $400 million a year. Does my right hon. Friend agree that that wealth needs to be passed to the whole country, and that the Parliament of Ghana needs to work together to ensure that legislation and regulation are in place to ensure that that happens?

Sir George Young: Like my hon. Friend, I welcome the commencement of oil production in Ghana. I hope very much that the revenue will be used for the benefit of all the citizens of that country, and will be managed with a view to Ghana's future prosperity.

Clive Efford (Eltham) (Lab): I am sure that the right hon. Gentleman would not wish to disfranchise students in the Oldham East and Saddleworth by-election. Will he join me in encouraging the relevant Secretary of State to make a statement to the House today, so that, before the Christmas holidays, students are made aware that they can register for postal votes in that by-election?

Sir George Young: If the hon. Gentleman was worried about the timing of the by-election, he could have registered his objection an hour ago when he had an opportunity to do so. He did not, and we heard earlier that Labour Members wanted to "bring it on". No one has been disfranchised.

Elizabeth Truss (South West Norfolk) (Con): I am very concerned about the possible impact on service personnel at RAF Marham in my constituency. Given the level of speculation about air bases this week, given that the economic and military case has been made in favour of RAF Marham and given that that appears to be the view of the Ministry of Defence, may we have a statement so that we can have some certainty on the issue?

Sir George Young: I understand my hon. Friend's anxiety. She says that something may be "the view of the Ministry of Defence", but my understanding is that no decision has been made. Some consequences of the strategic defence and security review, which was published in October, have implications for a number of bases, including the one in my hon. Friend's constituency, but I understand that no decision will be made until the spring, when of course the House will be informed. However, the strong case that my hon. Friend has made repeatedly in the Chamber on behalf of RAF Marham will have been heard.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): May we have an urgent statement from the Business Secretary on the disgraceful situation in Scotland, where TNT, DHL and other delivery companies are currently refusing to make deliveries? RL Engineering Services in my constituency contacted me this morning because it needs a part in order to rescue a Ministry of

Defence tug stuck in the Kyle of Lochalsh, but the companies are refusing to deliver it. Can the Business Secretary take some action to ensure that the situation does not continue?

Sir George Young: If the matter is indeed not devolved but retained, I will of course draw it to the attention of the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), who is responsible for postal affairs, and establish whether he can take any action to ensure that deliveries get through.

Pauline Latham (Mid Derbyshire) (Con): The Leader of the House may be aware that hauliers are to be penalised by the European Union, which is considering introducing a 4-metre height limit on new trailers. I have been lobbied by several hauliers in my constituency, not least Mr Robin Allen, who fears that that is much lower than the current limit and that hauliers will not be able to carry the same amount of goods, which means that there will be more lorries. The bridges do not need to be made any higher, because the trailers are already being driven under them. Will the Leader of the House refer the matter to the relevant Minister?

Sir George Young: I am all in favour of fewer lorries on our roads. I think that it would be best for the Secretary of State for Transport to have a dialogue with the Road Haulage Association, establish whether those anxieties are reflected more broadly throughout the industry, and then establish whether we can take action to minimise any loss of trade carried on the larger trailers.

Mr Dave Watts (St Helens North) (Lab): Given that the Secretary of State for Communities and Local Government is on record as having said in the House that this year's grant settlement would not hit the poorest communities hardest, and given that that is exactly what it has done, may we have an urgent debate on the matter?

Sir George Young: There will indeed be an urgent debate on the matter, because the settlement must be approved by the House before the local authorities get their money. As the Secretary of State said on Monday, it is a progressive settlement that reflects the requirements of the parts of the country that need the resources most.

Mr Robert Buckland (South Swindon) (Con): Will my right hon. Friend ensure that time is found between now and the end of the consultation period for a debate on the Floor of the House about the legal aid Green Paper? We had a stimulating debate in Westminster Hall on Tuesday, when Members on both sides of the House made suggestions about what needed to be done in this vital regard, but a debate on the Floor of the House would allow more Members more time in which to amplify their concerns.

Sir George Young: As my hon. Friend said, there was a well-attended debate on legal aid in Westminster Hall earlier this week. Any change to legal aid will require legislation of course, and I anticipate that there will be a Bill on that this Session. Our proposals represent a radical, wide-ranging and ambitious programme of reform that reflects our commitment to ensuring that legal aid is available to those who need it most. We estimate that it will deliver savings of about £350 million by 2014-15, but the exact figure will be subject to what final package of proposals we decide to implement following the consultation to which my hon. Friend referred.

Mr Chuka Umunna (Streatham) (Lab): To return to an issue I raised at a previous business questions, the Government have announced that they will change the way in which the police's use of stop-and-search and stop-and-account powers are recorded, and I think that change will make it impossible to check properly whether their use is proportionate and non-discriminatory. In a Westminster Hall debate on 1 December, the Minister for Policing and Criminal Justice said this change would save 450,000 hours of police time, but that figure is strongly disputed by the StopWatch action group and others. May we have a debate to discuss the reality of the situation?

Sir George Young: It is important that we seek a consensus on what the impact of the changes will be. I cannot promise an early debate, but a meeting between the relevant Home Office Minister and the organisation to which the hon. Gentleman refers might represent the right way forward.

Mark Pawsey (Rugby) (Con): Christmas is just around the corner, and many people will receive a gift of a personalised number plate for their car. That provides valuable income to the Exchequer—about £1.3 billion since 1989. However, many of these plates are illegal by virtue of their character, position and appearance and by the addition of bolts in order to create a name or word. That has serious implications for the identification of vehicles used in criminal activity, particularly where the police are using automatic number plate recognition systems. Will the Leader of the House make time for this matter to be considered?

Sir George Young: My hon. Friend must move in very important circles given that he says that many people will receive this gift. As a cyclist, I do not, of course, need such a number plate myself. He refers to number plate recognition, and I will draw that aspect of his remarks to the attention of Home Office Ministers.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am grateful for the Leader of the House's remark that the Prime Minister is likely on Monday afternoon to make a statement on the outcome of the European Council meeting. We did not have a debate ahead of that meeting even though that would have given the House an opportunity to express its views on some treaty changes that may well have been debated at the weekend. In an earlier answer, it seemed to be suggested that the Backbench Business Committee and the Leader of the House will negotiate about extra days for debates, so will the two sides come to an agreement in order to restore, in whatever shape or form, a pre-Council debate in this House, because it is vital that we have that?

Sir George Young: I think the hon. Lady knows what I am about to say to her: in setting up its Backbench Business Committee, the House gave that Committee responsibility for deciding whether there is to be a fisheries debate, for instance, a European Council debate

[Sir George Young]

or four days of debate on defence, or whether debates should be held on other subjects. The responsibility for deciding whether there is to be a pre-Christmas European Council debate now rests with the Backbench Business Committee, so the hon. Lady should address her question to the hon. Member for North East Derbyshire (Natascha Engel), not the Leader of the House.

Mr David Nuttall (Bury North) (Con): Will the Leader of the House arrange for an early debate on the performance of the Student Loans Company, so that the House can examine whether it is operating as efficiently as students and their families are entitled to expect?

Sir George Young: It was because we believed the SLC was not being operated efficiently that we replaced the chairman and the chief executive within one month of our taking office earlier this year. In respect of recent applications managed by the SLC, the Public Accounts Committee report published last week showed that by the end of October over half a million students had received their funding at the start of term, of which 72% were fully processed, and that 69% of new applicants were also fully processed. There must be continued improvement in the SLC's performance however, so that students receive the level of service to which they are entitled.

Mr Denis MacShane (Rotherham) (Lab): After the extraordinary revelations in *The Times* about the disastrous performance of Ministry of Defence procurement, may we have an early debate on the subject? The right hon. Gentleman the Member for Colombo is reported by *The Times* as saying that the revelations refer only to the Labour Government, but they go back to the 1990s and 1980s. Does the Leader of the House also agree that we need a complete ban on any Whitehall mandarin or armed services senior officer—or, indeed, any Minister—joining any part of the defence industry establishment on a paid basis for 10 years after they leave office, as we must shut this revolving door?

Sir George Young: The PAC report referred predominantly to the performance of the last Labour Government; I do not think it went back to a significant degree to 1997 and beyond. There are existing rules and restraints on what jobs former Ministers are allowed to take, and there is a period of quarantine. I am very happy to look into this matter again however, and I think it goes wider than just former Government Ministers. I think the House would have an interest in this matter.

Robert Halfon (Harlow) (Con): Will the Leader of the House find time for an urgent debate on costs to small businesses? Two of my Harlow constituents—Mr Raymond Patten and his daughter—have a small business outside Harlow. Their business costs have increased severely this year, with business rates up by 50% and licensing costs trebling. Does my right hon. Friend agree that while this Government are doing many excellent things to help businesses, we must not give with one hand and take away with the other?

Sir George Young: I agree with my hon. Friend, and I see that there is a debate scheduled for Tuesday on support for businesses, which he may like to attend. He will have read the Government's Green Paper, "Financing a private sector recovery", which lists a range of measures the Government are taking to support small and medium-sized enterprises, such as a business growth fund of £1.5 billion, £200 million for the enterprise capital funds and support for the enterprise finance guarantee, as well as supporting SMEs through growth hubs. I will, of course, draw my hon. Friend's remarks to the attention of the relevant Ministers.

Katy Clark (North Ayrshire and Arran) (Lab): A written ministerial statement today announced the closure of 10 of Britain's 19 coastguard stations. There is serious concern about that proposal. Surely the announcement should have been made by way of an oral statement. Will the Leader of the House find a way for this matter to be debated on the Floor of the House?

Sir George Young: I understand the hon. Lady's concern but, as she says, this is a matter on which the Government have reported to the House and, as I have said, we have to strike a balance between written and oral ministerial statements in order to protect the business of the House. The matter she raises might be a subject for a debate in Westminster Hall at the beginning of the new year.

Grahame M. Morris (Easington) (Lab): Will the Leader of the House make time for an early debate in Government time on the impact of the cuts in police numbers, especially as we have already heard that 1,387 uniformed police officers are to lose their jobs in Greater Manchester?

Sir George Young: I understand the hon. Gentleman's concern. There will be an opportunity to debate the police grant order early next year. It so happens that I have just received a briefing note from my chief constable in Hampshire. It cites the director of finance and resources, saying of Monday's announcement:

> "These figures are very close to the force's predictions and plans are already in place so that we can continue to operate effectively and efficiently within a reduced budget."

The briefing note cites comments from others too, such as:

> "While we do not underestimate the difficult time we will go through over the coming months, there are also real opportunities for us to do things better...we are in the process of identifying ways of improving what we do as a force."

I hope that approach is also being adopted in the hon. Gentleman's constituency.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Merry Christmas to you and your family, Mr Speaker, and to other Members of the House.

Will the Leader of the House find Government time for a debate on the impact of the following decisions, particularly on rural—and especially rural coastal—constituencies? My constituents in Felixstowe and places such as Orford and Aldeburgh are reeling from recent decisions on removing fire provision and extending the time they can expect to wait before receiving angioplasty treatment. This is unacceptable, and I hope the Government will find time for a debate on these matters.

Sir George Young: There will be an opportunity to debate many of these matters when we produce our proposals for reforming the health service. I understand

there are still opportunities for Members who want to do so to intervene in next Tuesday's debate on the Adjournment, and my hon. Friend may find that that will provide an opportunity to raise these concerns with the appropriate Minister.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Further to the comments of some of my hon. Friends, the news that Greater Manchester police is to lose a quarter of its entire work force, including over 1,000 front-line officers, is causing real concern in my constituency. We will shortly find out what the public think of this policy at the Oldham East and Saddleworth by-election, but will the Leader of the House help Members representing Greater Manchester constituencies to get a debate on this issue? He might be satisfied with the news about his local force, but Greater Manchester Members are not.

Sir George Young: Of course I understand the hon. Gentleman's concern, but the former Home Secretary made it clear before the last election that if his party had been returned, it could not guarantee that there would not be a reduction in police numbers.

Julie Hilling (Bolton West) (Lab): Will the Leader of the House consider holding a debate on our industrial heritage? On 21 December 1910, my community was devastated by the loss of 344 men and boys in the Pretoria pit disaster, the third largest such disaster in British history. I hope that he will join me in congratulating the communities of Westhoughton and Atherton on the efforts that they have made over a number of years to commemorate the centenary of the disaster next Tuesday and in sending sympathy to the many families who still remember their relatives and coal mining heritage with pride?

Sir George Young: I welcome the initiative taken by the hon. Lady and those in her community, who recognise the tragic disaster that took place at the Pretoria pit 100 years ago. It is right that we should recognise that many sacrifices were made in building the industrial strength of this country and the initiative that she has mentioned will be widely applauded in her constituency.

Bill Esterson (Sefton Central) (Lab): Will the Leader of the House remind Ministers that they should tell hon. Members of decisions affecting their constituency? This week, a number of announcements affected my constituency, including the decision not to go ahead with Maghull prison and the cut of two thirds in the budget for Merseytravel. I learned of both by way of media releases forwarded to me and have still to hear from the relevant Minister on either issue. Will the Leader of the House ask Ministers to contact me at the earliest possible opportunity with the details of both those cuts, and will he remind Ministers of their responsibility?

Sir George Young: Ministers are quite clear that they should report matters to the House before they report them to the media. The hon. Gentleman should hear about anything that affects his constituency before the media are told about it, and I shall certainly raise that with the relevant Ministers. The transport grant announcement was issued by way of a written ministerial statement, in which case everybody should have received it at the same time.

Mr David Anderson (Blaydon) (Lab): Last week, I was approached by my constituent, Sharon Martin, who informed me that she had that day sent out a fleece and winter clothing to her son, who is serving in Kabul. He had been advised by the Ministry of Defence that winter clothing would not be available in Afghanistan until February 2011. For the past week, I have tried to get the MOD to respond to this and I was told, "Will you put it in writing? We will respond within 15 working days." That is clearly not acceptable. Will the Leader of the House therefore try to get a statement made before the Christmas recess, so that we can all have a merry Christmas, including those men and women who are abroad fighting for us?

Sir George Young: I applaud what the hon. Gentleman said about our fighting forces. He will get a letter from an MOD Minister before the House rises for the Christmas recess.

Kevin Brennan (Cardiff West) (Lab): Now that the Prime Minister has said that he is taking personal charge of the school sports debacle, can we expect another statement from him on Monday, after he visits the Olympic site, or will an announcement be made in the usual way through the Sunday newspapers?

May I wish a merry Christmas to the Leader of the House and the Deputy Leader of the House, who is wrong about the Deputy Prime Minister? He is not St Nick, or even the messiah - he is just a very naughty boy.

Sir George Young: I have forgotten what the question was. On school partnerships, a further announcement will be made in due course about our proposals to replace the previous regime. I welcome what the hon. Gentleman said about wishing everybody a merry Christmas, and I hope that he included in that the Deputy Prime Minister.

Mr Tom Watson (West Bromwich East) (Lab): The Leader of the House will have heard the concerns expressed by Members on both sides of the House this morning about the oil supply crisis in their constituencies. Schools and hospitals face shortages, and the old and vulnerable are suffering freezing cold. What provisions are available for an emergency debate next week should the rationing announced by the Minister for Energy this morning create panic buying over the weekend or should the emergency meetings he is having with the industry over the weekend need to be reported back to the House?

Sir George Young: I heard the hon. Gentleman share his concerns at Energy and Climate Change questions, when he put a similar question to one of my colleagues and it was adequately answered. At the start of the severe weather spell a number of precautions were taken to deal with salt supplies, the health service, cold weather payments and winter fuel payments. I know that he will be heartened to hear the last bit of my brief, which says that a winter resilience network has been set up and is chaired by the Cabinet Office.

Paul Flynn (Newport West) (Lab): Will it not be appropriate in the new year to debate fully the content of a debate that is taking place this afternoon in order that we can pay tribute to the courage and vision of my right hon. Friend the Member for Coventry North East (Mr Ainsworth)? Although hon. Members take various views about drug problems, there is a great deal of unanimity on the fact that the policies that all parties have followed for the past 40 years have resulted in the biggest price for drug treatment in Europe, the harshest laws and the worst outcomes in terms of deaths, drug crime and drug use. There must be a better way. Can we not build on agreement between all parties to do better in future?

Sir George Young: The hon. Gentleman has taken a consistent stand on this issue for many years and I applaud that, although I disagree with him. I think that he is rehearsing a speech that he might give later today in Westminster Hall. He will have heard, doubtless with dismay, that the right hon. Member for Coventry North East (Mr Ainsworth) was denounced by his party leader.

Nic Dakin (Scunthorpe) (Lab): Four weeks ago, I submitted four written questions on the background analysis done before the decision was taken to end the funding for the school sport partnerships. On 29 November, I received a reply to all four questions stating,

"I will reply as soon as possible."

Apparently, that time has still not yet come, so will the Leader of the House investigate why it is taking so long to answer such simple questions?

Sir George Young: "As soon as possible" will be before the House rises for the Christmas recess.

Barry Gardiner (Brent North) (Lab): This week, we learned that 25% of all children are recorded as being obese when they go to primary school, and the records show that the figure rises to 33% by the time they leave primary school. Given that the Government have now done away with school sport partnerships funding, will the Leader of the House make time for a debate on childhood obesity and alternative ways through exercise to tackle it?

Sir George Young: I think that this goes back to a question put to me earlier. The Government will be coming up with an alternative way of promoting school sports, and it will be a more effective and cost-effective way than the system that we inherited. Obesity—not just child obesity, but adult obesity—is a real issue, and my right hon. Friend the Secretary of State for Education takes it seriously.

Electricity Market Reform

12.27 pm

The Secretary of State for Energy and Climate Change (Chris Huhne): Today, we begin consulting on the reform of the electricity market. This programme sits at the heart of my Department's mission: to deliver secure, affordable and low-carbon energy. The case for reform is clear. We need significant investment in our energy infrastructure. As old coal and nuclear plants shut down, and demand for electricity grows, we must build the next generation of power stations. The electricity that they deliver must be both affordable and sustainable, helping us to meet our emissions reduction targets and keep the lights on.

The current energy market has served us well, but it cannot deliver long-term investment on the scale that we need, nor can it give consumers the best deal. Left untouched, it would lock carbon emissions into the system for decades to come. Investors and boardrooms around the world want to know whether the UK is a good place to do energy business, and today we are setting out our plans to make it one of the best places to do energy business.

The challenges and the opportunities are huge. Put simply, we face growing demand, shrinking supply and ambitious emissions reductions targets: demand for electricity could double by 2050 as we decarbonise the economy; 30% of our electricity must come from renewables by 2020—up from 7% today—to meet our contribution to the European Union's renewable energy target; and in the next 10 years, a quarter of our existing power plants will need to be replaced, as nuclear and coal plants reach the end of their lives.

Without action, we will face a real and growing threat to the security of our supply. The reserve margin of spare generating capacity will fall over the next decade and the risk of interruptions to our energy supplies will rise, so we must build the next generation of power stations, and act to ensure there will be enough reserve capacity to meet our needs. Together with renewables, we will need new gas-fired power stations and new nuclear plant. We must attract more than £100 billion of investment in new power stations and grid connections by 2020—that is double the investment rate of the past decade.

We must rebalance our market framework to attract investment in the right technologies. At the moment, there is a bias towards low-cost, low-risk fossil fuel generation. Renewables, nuclear and carbon capture and storage all have relatively high up-front capital costs, but a more diverse, lower-carbon energy mix is better for our energy security, better for our economy and better for our planet.

Some measures have already delivered investment in new low-carbon generation—the renewables obligation and the EU emissions trading system—but we must go further and faster. To secure reliable, affordable low-carbon electricity, we must change the market structure. We must create the right framework to ramp up power generation and secure our supply and we must deliver cleaner, greener electricity for the 2020s and beyond.

Today, we are proposing new incentives to drive investment while protecting the rules for investments already made. The focus will shift permanently from

conventional fossil fuel-fired electricity to low-carbon technologies—renewables, nuclear and cleaner fossil fuels. Our preferred package of reforms is designed to strike a balance between the best possible deal for consumers and giving existing players and new entrants in the energy sector the certainty they need to raise investment.

Reform will be gradual. We want to reassure industry that the rules for existing investments will be protected. By consulting on a process and principles for the transition to new market arrangements we aim to minimise uncertainty. The competitive market will remain at the centre of our energy policy, but the four elements of the reform package announced today will change incentives in the market and ensure both the security and decarbonisation of our power supply system while minimising costs to consumers.

First, there will be greater long-term certainty about the additional cost of running polluting plant, to make lower carbon investment more attractive. Proposals set out in the Treasury consultation to support the carbon price directly tackle the core problem, putting a better price on emissions, increasing the cost of fossil fuel-based generation and strengthening the carbon price for UK electricity generators.

Secondly, greater revenue certainty for low-carbon generation will make clean energy investment more attractive still. Through the proposed contract for difference feed-in tariff, the Government will guarantee greater revenue certainty for low carbon in the form of a top-up payment if the wholesale price of electricity is below the feed-in tariff and a potential clawback for consumers if wholesale prices go above the contracted tariff.

Thirdly, there will be additional payments to encourage the construction of reserve plants or demand reduction measures to ensure the lights stay on. Capacity payments will create an adequate safety cushion of capacity as the amount of intermittent and inflexible low-carbon generation increases.

Fourthly, there will be a back-stop to limit how much carbon any new coal-fired power stations emit. An emissions performance standard will reinforce the existing requirement that no new coal is built without carbon capture and storage.

Together, those four reforms make good on our commitments in the coalition's programme for government. They will make the UK a prime location for low-carbon energy investment. They will ensure our energy supply is cleaner and more secure. They will protect the consumer—whereas prices will rise in the medium term, the additional impact of the reform packages will be small, and by 2030 consumer bills will be lower than they would have been if we had not reformed the market. They will lay the foundations for the sustainable economy of the future, bringing jobs up and down the supply chain.

The consultation that opens today invites everyone to tell us whether they think the preferred package of reforms is the right one and to provide the evidence to support their views. Final recommendations will be published in a White Paper in late spring 2011, and the reforms will be introduced before the end of this Parliament. We are also reviewing the role of Ofgem and the energy regulatory framework and today we are publishing the Government's response to the call for evidence on the terms of the review.

We have a once-in-a-generation chance to rebuild our electricity market, rebuild investor confidence and rebuild our power stations. Like privatisation before it, this will be a seismic shift, securing investment in cleaner, greener power and delivering secure, affordable and low-carbon energy for decades to come.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I thank the right hon. Gentleman for early sight of his statement and for early notice that it would be made—ahead, even, of Government Back Benchers, for which I am grateful.

Let me be clear at the outset that the Opposition believe that the programme is absolutely necessary to secure energy for the future, and we will support fair and sensible mechanisms for reform. We agree with the Secretary of State that this is a once-in-a-generation opportunity to get it right and we hope that we can work with the Government and that, for their part, they will take on board the Opposition's comments as they consult.

The issues that the Government must tackle are fourfold: security of supply, meeting renewable energy targets, finding the crucial investment for energy infrastructure—some £200 billion—and, as we heard in Question Time, keeping energy prices reasonable. It is crucial that the Government put in place the mechanisms to make new low-carbon investment attractive and they must bridge the looming energy gap without a rush for unabated fossil fuel generation. I am heartened by some of what the Secretary of State has said, but the Government must also provide energy security across a balanced and diverse energy portfolio and they must provide fairness and affordability for consumers.

We face this big challenge together, but we must not allow the consumer to bear the whole burden. The Secretary of State has dangled cheaper prices from 2030 in front of us today—jam tomorrow—but will he provide his modelling so we can be sure that the Government are doing everything they can to ensure that energy prices today are being tackled, too? We cannot allow increased energy costs to be an excuse for increased profit at a cost to our constituents.

The Government must seize this opportunity and act now to give investors the certainty they need and to meet the necessary time scales. Today, the Government have confirmed that the green investment bank is still under review. The Secretary of State has assured us that the Government are committed to low-carbon growth, but the question is: can he do it on time?

This is not the time for delay or dithering. Now is the time for action, and I hope that the Secretary of State will deem 2011 to be the year of decision. He rightly pointed out in his statement that if we do not take prompt action, "The reserve margin of spare generating capacity will fall over the next decade and the risk of interruptions to our energy supplies will rise." Questions remain about whether new nuclear can be built on time and at the pace required and whether carbon capture and storage can be proven on an industrial scale and commercially applied to all fossil fuels on time. We also need to know the details about the funding of projects 2, 3 and 4. We also need to know whether agreements on energy storage with Norway or others will be on time, again, and sufficient in scale.

[Meg Hillier]

There are other questions, too. Although I recognise that many of them cannot be given definitive answers, I know that the Secretary of State's officials will have modelled different scenarios. I ask, in the spirit of transparency and open debate, that the Secretary of State share as much as possible of his modelling and risk analysis for plugging the energy gap in the next few years with the House and with the Select Committee on Energy and Climate Change so that we can have a fully informed debate.

The Secretary of State today stresses a UK commitment to 30% of electricity from renewables by 2020. His commitment is clear and we support him. However, has he assessed the mood of the coalition's colleagues in the European Parliament, who often seem to be at sixes and sevens and are certainly not four-square behind his stance? He is, we know, as we heard earlier this week, working closely with European partners. On Monday, he assured the House, with some feeling, that the Government are united on their position in Europe, but what is the true picture?

The statement is on electricity market reform, but given that we enter this winter with the worse gas storage for many years, does the Secretary of State also intend to make proposals on gas infrastructure and storage; and, if so, when?

Finally, will the Secretary of State give certainty to industry and to people who are already paying inflated energy bills that this programme will be enough to encourage energy companies to invest in the UK, to create the jobs that this country needs and, importantly, to protect customers from unaffordable energy bills?

Chris Huhne: I thank the hon. Lady for her comments and particularly for the helpful way in which she couched them. Of course we will be open to Opposition comments on the details of this matter through the consultation period and further on into the legislation. We shall need £110 billion of investment in electricity infrastructure and a total of £200 billion in energy, and one of the most valuable things we can tell investors is that there is, although I do not want to overstate it, substantial cross-party consensus between the coalition parties and the Opposition. That is very valuable in attracting big foreign investors in particular because it means that in the period over which there can be a payback of investments, which might be 20 years, foreign investors can be assured that there will be real stability of policy. I very much value that consensus and very much want to work with the hon. Lady to make sure it is there.

Let me deal with the hon. Lady's concerns about consumers, which are absolutely appropriate. We have to make sure that business consumers and households in Britain get the best possible deal in supplies of energy—in this case, electricity. A fundamental part of the policy proposal that I hope she will welcome is that by providing investors with the certainty of a feed-in tariff, with a contract for difference, we will attract investment from the big six electricity companies and attract into the market other players—new entrants—to make it more competitive. We will also unlock the pools of capital that various Members have been concerned will not be available without this framework. It is very much part of our thinking that in trying to deal with the underlying problem of a more competitive market we should get more players into the market, because that will ultimately give the best assurance to consumers that we will get the best possible deal.

The hon. Lady asked about the shorter-term view. I made it clear in my statement that this package will deliver lower-cost electricity for consumers than would otherwise be the case on a 2030 view. We will redo the estimates for overall energy policy in the annual energy statement. As far as I can see, on the current basis there is no reason to expect that to change. In the summer, we said that with the overall package of policies we had set out, if one takes into account the energy efficiency packages and the likely reduction in bills as a result, consumers would pay about 1% more in 2020 than would otherwise be the case. That figure involves a fundamental assumption that the oil price will be $80 a barrel at that time, with a corresponding gas price, but oil prices might be substantially higher; obviously, spot oil prices are substantially higher today. The break-even point for consumers is $100 a barrel, and if the price goes north of that the policy framework we are setting out will leave British consumers paying less than if they were reliant, over the relevant period, on the volatility of the world oil and gas markets. That is fundamental. We are dealing with conditions of considerable uncertainty about the future, particularly in the oil and gas markets. We have heard today that the US Attorney General is taking a case against BP as a result of what happened in the gulf of Mexico. We know that there are rising risks and costs in extracting fossil fuels and we have to take that into account when we set a policy that can protect British consumers from the vagaries that might come.

The green investment bank is going to be a clear part of our thinking in dealing with the enormous investment challenge, and Ministers are reviewing the exact market failures that we are attempting to address with the bank. It is a long-term project and the most important thing, when we talk about decarbonising the UK economy, is not to get up and running for 1 January next year a green investment bank that might be half-baked, but to get it right. This institution has to be with us for the long term, right through to 2050, providing lending to help decarbonise the economy over the long haul, so I would much rather get it right than do it early and get it wrong.

I take on board the hon. Lady's point about the need to deliver. I shall not rub salt in the Opposition's wounds about the 13 years they were in power, but I remind her that we have inherited the position of being 25th out of 27 EU member states on renewable energy. *[Interruption.]* The hon. Member for West Ham (Lyn Brown) might chunter about that, but these are the facts. I am not making any comments about them, but am merely saying that we are 25th out of 27 EU countries and we need to improve that position.

The hon. Member for Hackney South and Shoreditch (Meg Hillier) also asked us to make available our modelling basis and I am very happy to do that. Indeed, the models that we used for the 2050 pathways study are already available on the Department's website. Any Member of the House will find that function very user-friendly; it is Professor David Mackay's favourite executive toy. Users can decide they want more renewables, a little less nuclear, a little more nuclear or a little more

clean coal, put the change in and find out what the consequences would be. We aim to be extremely open and transparent in our whole process.

On the European Parliament, the reality is that we will determine these matters in this Parliament, not the European Parliament. I note that we have an overwhelming majority, judging by the recent vote on the regulatory justification for nuclear, for the sort of package that we have set out.

Paul Flynn (Newport West) (Lab): On a point of order, Madam Deputy Speaker. Is it appropriate, given what the Speaker has said about short statements, that the Secretary of State's answer to a single question has been longer than the original statement?

Madam Deputy Speaker (Dawn Primarolo): Strictly speaking, that is not a point of order, but while I am on my feet let me say what I was going to say when the Secretary of State sat down. I am sure that the House is very grateful for his long and full answer, but I sincerely hope that we will revert to short questions and short answers so that everyone can get in.

Chris Huhne: Thank you, Madam Deputy Speaker. Gas storage is dealt with in the current Bill. On that point I shall end.

Dan Byles (North Warwickshire) (Con): Does the Secretary of State agree that when the new measures are in place, we will require long-term regulatory stability if we are to encourage an attractive investment environment in order to decarbonise our energy market and keep the lights on at an affordable price?

Chris Huhne: I absolutely agree that we require long-term regulatory stability. That is one reason why we have been at pains to say that we will not change the terms on which investors relied when they made past investments. We want them to believe that when we put this framework in place they will be able to rely on a similar assurance of stability.

Dr Alan Whitehead (Southampton, Test) (Lab): I strongly welcome the content of the statement on the future construction of energy markets and how they will underpin the move towards a low-carbon energy economy. The Secretary of State has said that there is currently a bias towards low-cost, low-risk fossil fuel generation, but it is more than a bias. The present build and planning permissions suggest that there is more gas in the pipeline than would cover the gap for reserve generation over the next period. The third of the four pillars he has mentioned involves capacity payments: how does he intend to fund those payments, and will he be able to direct them to ensure that reserve capacity is not overwhelmingly gas, as appears to be the case currently?

Chris Huhne: Clearly we want to have low carbon sources of supply, but I have made it clear that we are intending one of the three remaining demonstration projects on carbon capture and storage to be a gas project. Given the development of unconventional gas, there is a possibility that gas will provide a much more sustainable long-term source of supply than people had thought until recently. In those circumstances—carbon capture and storage applied to gas—gas may have a very important role in the long term, not just in the short term. Otherwise, I entirely agree. Capacity payments will be made on the basis of encouraging peaking plant, to deal with the ad break in "Coronation Street" when we all turn on our kettles, and to offset the intermittency problems that occasionally arise—the nightmare of the four or five cold still days in February when the wind turbines are not going and we need back-up capacity. The capacity payments will inevitably be made by consumers from their payments, but they will provide us with the assurance of supply that we have been proud to have in this country for a long time.

Duncan Hames (Chippenham) (LD): There is, unfortunately, something of an uncertainty paradox, in that measures that seek to create some certainty in the market necessitate of themselves a period of uncertainty. That being the case, will the Secretary of State tell us how long energy investors will have certainty once his reforms have been implemented?

Chris Huhne: I am grateful to my hon. Friend for that question. When he reads the documentation we have tabled, he will see that we are at great pains to ensure that investors have the very clear message—not least because of recent experience in some other member states of the European Union—that the incentives that have been in place will be grandfathered. They can continue to rely on that. We shall minimise the amount of uncertainty, which is important not only to honour our past obligations but also if we want investors to believe in our future obligations. We have to be prepared to stand behind what we have said in the past, and we intend that to be the case. We will minimise the amount of uncertainty in joining up the two regimes, but we are of the view that we have to reform the electricity market to bring forward the low-carbon and secure supplies that we need.

Mr David Hamilton (Midlothian) (Lab): I hope the Minister can find a way of sitting down now and again.

In terms of nuclear energy, we are talking about a subsidy by another name, and that is a major change in policy. I have real concerns—as will a number of other MPs when they come back in the new year—about supporting nuclear energy in the long term, when we have always argued that it should not be subsidised. What is in this for coal? Coal has played a major part in this country's economic security, so what part will it play in carbon capture in the future? What projects will be going ahead and when?

Chris Huhne: There are two parts to the hon. Gentleman's question. The first was whether the proposals are a subsidy for nuclear. I could not be clearer: this is a subsidy for low-carbon sources of energy generation. There is no subsidy specifically to nuclear. That is fundamental. *[Interruption.]* No; this is about low carbon. Our vision in the long term is that we should be able to rely on the market as much as possible to determine which sources of energy are the best for the British consumer. We want companies to make proposals, and—on the second part of the hon. Gentleman's question—I very much hope that they will be on clean coal. We have an enormous amount of coal in this country that I want us to be able to use, but we cannot use it unless we can

[Chris Huhne]

decarbonise it. We cannot use it and meet our carbon emissions targets unless we make a success of carbon capture and storage, which is exactly why I was so pleased that, despite a very tough spending round, we managed to secure £1 billion to make sure we have the first commercial-scale coal carbon capture and storage plant in the world. I hope genuinely that it will unlock a whole new future for coal as a source of low-carbon electricity generation.

Neil Carmichael (Stroud) (Con) *rose*—

Hon. Members: Come on.

Neil Carmichael: I was just surprised to be asked.

I very much welcome the reforms, which are an excellent start. The Secretary of State talks about a gradual process. Will he give us some idea of when the four elements will be up and running?

Chris Huhne: We would aim to get the White Paper out in the spring and legislation landed in this place before the end of the Session, although realistically it would probably have to be a carry-over. I hope very much that we shall have legislation in place, and therefore the market system in place, in 2012.

Malcolm Wicks (Croydon North) (Lab): I welcome the broad thrust of the statement. Does the Secretary of State agree that notwithstanding the beneficial effects of energy efficiency measures on prices, there are three reasons why prices are likely to rise in the medium term? The first is the new investment we require. The second is the climate change measures, which are vital, and the third is the dramatic global demand for energy over the next 30 years, which could go up by 30% or 40%. The only weakness in the statement that I can see is the social policy dimension. It is an irony that we have global warming, yet there are cold homes in Britain. Do we not require a step change in our thinking about social policies of different kinds to protect the most vulnerable during our winters?

Chris Huhne: I am grateful to the right hon. Gentleman for his question. He is one of the most informed people in the House on these matters, and he is absolutely right about the long-term drivers for energy markets. The social policy dimension is absolutely crucial for the Government, which is why the green deal puts such an important stress on dealing with the root cause of the problems of fuel poverty. Every winter we have debates in this place about the problems of fuel poverty, yet we have not made enough progress in really tackling the underlying issue, which is the energy inefficiency of the homes of so many people at the bottom of the income distribution. As I said in oral questions, the bills of those who are lucky enough to live in social housing with the decent homes standard could be only a sixth of the bills of owner occupiers or people in private rentals. We have to deal with that.

In the short term, we are committed, for example, to winter fuel payments, cold weather payments and to the continuation of the voluntary discount scheme for bills, and we shall underpin that with our own Warm Homes discount scheme from the next financial year. We are very aware of the issue and very concerned about it. We intend to make real progress in tackling the underlying causes, not merely providing sticking plasters for the symptoms.

Several hon. Members *rose*—

Madam Deputy Speaker: Order. I ask again for short questions and short answers. Given that oral questions preceded the statement, I think we can assume that Members remember what was said.

Martin Horwood (Cheltenham) (LD): Given the fresh security concerns about nuclear power, its notorious inflexibility and intermittency and the toxic legacy it will leave future generations for 1,000 years, should my right hon. Friend not explore a levy on nuclear to balance any hidden—even if unspecific—windfall subsidy, especially to existing nuclear power stations, which may come about through the reforms he has described?

Chris Huhne: My hon. Friend knows very well that our policy is no subsidy to nuclear. We are not intending to impose additional levies on nuclear, but the no subsidy policy certainly encompasses the idea that if there are uncertainties they have to be met in the payments made, for example, on waste and decommissioning.

Barry Gardiner (Brent North) (Lab): Capacity payments have resolved one problem the Secretary of State had, which was the falling-off of power in 2017-18, but they may have given him another problem, which is that there will now be another dash for gas. Many companies were holding off, with planning permissions in the pipeline or already approved, but they will now proceed with that investment. Can he be sure that the surge in investment for gas will not detract from investment for other renewables? In addition, will he make good an omission in his statement—that the emission performance standards will not apply simply to coal, but will also apply to gas?

Chris Huhne: On the first point, we are consulting on the capacity payments scheme, and obviously the details will need to be worked through, but I believe that it is potentially more radical than the hon. Gentleman may be suggesting. One of the things that can be paid for under the capacity payment scheme is demand-side measures to encourage companies to get consumers to sign up for temporary interruptions in their supply, so they can turn off their fridges and so forth. That is a way of making sure that we need less peaking capacity, which will be very important. That so-called negawatt concept would also be encouraged by capacity payments. I do not believe that a consequence would be a dash for gas.

On the emissions performance standard, we have made it absolutely clear from the beginning—the coalition agreement and beyond—that this is about stopping unabated coal, as the dirtiest of the technologies. We want coal to have a future with carbon capture and storage; we want to see gas plant, if it is built, built with the readiness to apply carbon capture and storage. In the long run there may be a role for gas with carbon capture and storage, but I do not believe that it will have the consequences that the hon. Gentleman suggests.

Stewart Hosie (Dundee East) (SNP): The statement was very clear: there will be new incentives, including for nuclear. That is a subsidy by any other name, and directly contradicts what the Secretary of State said on the "Today" programme in May; it contradicts what he said in his departmental debate in July, when he said that the coalition would allow new nuclear but with no public subsidy; and it contradicts what he said to his own party conference in September. So let me ask him: who does he think will feel most betrayed by this U-turn—he, his party, the coalition or the taxpayer who will undoubtedly have to pick up the tab for the folly of the new generation of nuclear power?

Chris Huhne: I could not be clearer than to say that there is no subsidy here which attaches to nuclear power. The subsidy attaches to low-carbon generation, and whatever the Member's view, the reality is that nuclear power is a low-carbon energy source and the subsidy applies to low-carbon generation. Over time I want to see the technologies as they are at the moment compete, so that we can find which are the most effective at providing our consumers with low-cost electricity from low-carbon sources—and the framework will allow us to do that.

Ian Swales (Redcar) (LD): How can the Secretary of State ensure that those who want to invest the much-needed billions right now do not get delayed by the consultation period and the navel-gazing that might follow today's statement? For example, if someone has half a billion pounds for a biomass power station today, can they spend it?

Chris Huhne: My hon. Friend and I have had discussions on the specifics of biomass power stations, and I hope that some of the announcements that the Department has made, for example about bringing forward the review of the incentives for that type of plant, will help. We have also been able to issue some letters of comfort to different investors to try to ensure that they do not have problems with financing projects. I want to minimise the uncertainty that inevitably exists in changing from one regime to another, and make these investments happen as quickly as possible.

Mr Tom Watson (West Bromwich East) (Lab): The Secretary of State mentioned volatile oil markets. These reforms will impact on the domestic oil sector in the UK. Can he tell me what he thinks the impact will be, and in doing so, can he tell me what measures he is taking in the next 72 hours to deal with the Christmas oil crisis?

Chris Huhne: I take it that when the hon. Gentleman says "the domestic oil sector," he means the offshore oil and gas sector in its entirety. The prices for that sector are clearly set in a global market, so what we do, although it will be very significant in the electricity sector within the UK, will have a marginal impact on the overall global demand for oil and gas, and therefore on the prospects for our own domestic offshore oil and gas sector.

In the last 72 hours we have been trying to ensure that drivers can work longer—that they can get heating oil to homes that need it. The Energy Minister has been in constant discussions, looking at any way in which we can ensure that those who need heating oil and are currently short of that oil get it. That is essential. In those discussions, my hon. Friend has been informed about suppliers attempting to ensure that people do not have too much, so that there is enough to go round for everyone.

Alun Cairns (Vale of Glamorgan) (Con): The Secretary of State's statement includes some ambitious targets for renewables by 2020. What consideration has he given to planning matters in view of the coalition Government's policy intention to devolve planning to a more local level, and what reassurance can he offer many people who might be concerned that large-scale wind farms could be foisted upon them?

Chris Huhne: I am grateful to my hon. Friend for his question because Ministers and senior officials were discussing that subject with representatives of the industry only this week. We had an interesting and useful round-table discussion about exactly that. I do not believe that top-down solutions are the right solutions, and therefore the planning framework that gives local communities real control over what happens in their area is absolutely crucial. At the same time, one message that we heard loud and clear from the industry is that where the industry has brought in local communities, often as co-investors, and where there is a clear benefit for the local community from renewable energy projects, including onshore wind, those projects go ahead. I think that is the right way forward.

Caroline Lucas (Brighton, Pavilion) (Green): I welcome part of the statement, although certainly not the part on nuclear, and I suspect that the devil will lie in the detail of the rest. For example, can the Secretary of State confirm what level of emission performance standards he intends to introduce, and whether both coalition partners remain committed to their pre-election position that any standard will be set at the equivalent of the emissions of a modern gas plant—in other words, 300 to 400 grams of CO_2 per kWh?

Chris Huhne: We are consulting on two levels, as the hon. Lady will see in the documentation: 450 and 600 grams. There is inevitably a certain margin of error, but she will see that those are the two points in consultation.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Can I take up the theme of a previous questioner? The history of renewable projects has been bedevilled by planning delays and objections. There is enormous concern in the business community that the new Localism Bill will only reinforce those processes. What representations is the Minister making to his colleagues in the Department for Communities and Local Government to overcome this, in order that we have joined-up government and give necessary reassurance to the business community?

Chris Huhne: The hon. Gentleman is right. Some issues can be tackled at national level; one planning issue on onshore wind surrounds aviation impacts and radar, and we should obviously lead that at national level. But I refer him to the answer that I gave previously: local people should be able to determine local planning and, therefore, local impact. If they are on board, and if they are brought into the proposals, renewable projects

[Chris Huhne]

go ahead. That is our experience throughout the UK, and that will be the right way forward in getting planning approval for renewable projects.

Paul Flynn (Newport West) (Lab): On what day in May was the right hon. Gentleman bewitched by the Pied Piper of nuclear power into learning to love a nuclear stealth tax? He and his party used to know that nuclear has never delivered on time or on budget, and that the only new nuclear power station in the world is already three years late and £4 billion over budget. Is it not irrational optimism for him to believe that it will be different here?

Chris Huhne: The hon. Gentleman is a careful student of the economics of nuclear power and is well aware of the track record. When he looks at the consultation document, he will see that we are providing greater revenue certainty for all low-carbon sources of energy. We provide no subsidy to construction for any particular sort of energy, and no subsidy to any particular type of energy on the basis of that energy's characteristics. That means, for example, that if someone comes forward wanting to build a new nuclear power station, all the risks of construction – all the risks of delivering on time and to budget – fall on the investor, not the UK Government. If, on that basis, investors come forward, and they assure me that they will, I believe we will have new nuclear power stations, but if there is any delay in construction, that cost will fall to the investor, not to the UK Government.

Paul Flynn: On a point of order, Madam Deputy Speaker. In view of the unsatisfactory nature of that reply, can I give notice that I wish to raise this issue on the Adjournment of the House?

Madam Deputy Speaker: The hon. Gentleman knows full well that that is not a point of order, but he has got his point on the record at least.

Thomas Docherty (Dunfermline and West Fife) (Lab): First, can I welcome the Secretary of State restating his long-held, principled and consistent commitment to nuclear power? On carbon capture and storage, specifically, can he guarantee my constituents, who eagerly await the Energy Minister's visit in the new year, that there will be no delay at all in the decision, which we expect early in the new year, on the first carbon capture and storage project for Longannet?

Chris Huhne: I believe that my hon. Friend the Energy Minister is making good progress on that. We have made good progress at an official level as well, and there is no reason to anticipate any delay. I very much hope that at the end of our Department's collective term of office, we will go down as being a happening Department that makes things happen. That is what we intend to do with CCS.

Mr Russell Brown (Dumfries and Galloway) (Lab): The Secretary of State has mentioned the significant investment that will be required. Does he recognise that the wave and tidal sector seems somewhat unloved in the UK, because it sees its opportunity overseas? What does he feel he should do about that, and what will he do to ensure that that opportunity goes to people in this country who are prepared to invest?

Chris Huhne: I do not know how the hon. Gentleman got the impression that wave and tidal are unloved. They are certainly not unloved by me, and I want to ensure that we recognise the potential of those technologies, and that they are brought forward commercially as soon as possible. I know, for example, that the tidal stream pilot project on Strangford lough has made good progress, and there are real opportunities, because, although tidal stream power is intermittent, it has one advantage over offshore wind of being predictably intermittent. So, I very much hope that those technologies come on-stream. We have a marine energy programme designed to make that happen, and I assure the hon. Gentleman that this ministerial team wants that to succeed.

Kevin Brennan (Cardiff West) (Lab): There will be no shortage of either wind or gas while the Secretary of State is in post, that is for sure. On the oil issue, which we discussed earlier, and the long-term impact of his reforms on the domestic oil market, my hon. Friend the Member for West Bromwich East (Mr Watson) mentioned an immediate crisis. We have 72 hours of inclement weather ahead of us, which means that oil supplies will be even more disrupted. What steps will the right hon. Gentleman take immediately to call together oil suppliers to ensure that he sets out clearly the rationing that he thinks appropriate, something to which the Energy Minister previously referred?

Chris Huhne: We are already in very close contact with the suppliers, and we anticipate that deliveries will be adequate to ensure that there are supplies wherever they are needed before Christmas.

Mr Robert Buckland (South Swindon) (Con): Manufacturers in and around my constituency and elsewhere are doing what they can on a small scale to reduce electricity consumption by taking energy efficiency measures, but what plans do the Government have to encourage that on a large scale as a way of dealing with increased demand in the years ahead?

Chris Huhne: I refer my hon. Friend to our extensive answers on the green deal scheme in Energy and Climate Change oral questions earlier. It will be an ambitious, comprehensive and enormous scheme to ensure that we completely refit our housing stock.

Sheila Gilmore (Edinburgh East) (Lab): The Secretary of State will be well aware that the housing with the poorest insulation is in the private rented sector. Will he put pressure on his fellow Ministers in that field to reconsider their decision not to go ahead with landlord registration or other measures, such as using the buying power of housing benefit to force landlords to insulate homes for those vulnerable tenants?

Chris Huhne: I think the hon. Lady will welcome our provisions in the Energy Bill, which is being debated in the other place and will come to us in the new year, because they ensure that, if the private rented sector does not take up the green deal adequately over the period to 2015, first, a tenant will be able to request a green deal installation and not be unreasonably refused, and secondly, there will be regulatory powers to improve the energy efficiency of the private rented sector for F and G-rated homes.

Points of Order

1.14 pm

Mr Tom Watson (West Bromwich East) (Lab): On a point of order, Madam Deputy Speaker. Before the Front Benchers leave the Chamber, I must say that I have not been convinced by the answers that the Secretary of State gave me about dealing with the winter oil crisis. What provisions are there for him to return to the House later this afternoon to make an urgent statement on the detail of how he is dealing with that crisis?

Madam Deputy Speaker (Dawn Primarolo): Frankly, it is a matter for the Secretary of State when he chooses to come before this House and the information that he makes available to it; it is not a matter for the Chair. So, the hon. Gentleman has got his point on the record, but at this point in time it is not actually a point of order.

Kevin Brennan (Cardiff West) (Lab): Further to that point of order, Madam Deputy Speaker.

Madam Deputy Speaker: As long as it does not pursue the same point, Mr Brennan, because I have made it quite clear that the information on when the Secretary of State comes before the House is a matter for him.

Kevin Brennan: Taking on board your comments, Madam Deputy Speaker, I wonder whether you can advise us on the mechanism for a recall of the House if the crisis should become serious or much worse over the Christmas recess?

Madam Deputy Speaker: I think the Secretary of State and the Government will keep a very close eye on that. The hon. Gentleman is a very experienced Member and knows that any Member can approach the Speaker if he or she believes it necessary for the House to be recalled.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): On a point of order, Madam Deputy Speaker. This morning we were given a written statement on the proposed closure of coastguard offices throughout the UK. Stornoway in my constituency faces losing perhaps 27 jobs relating to a massive sea area. Is there any way in which we can get the Minister to the House, so that Members can cross-examine him and raise their concerns, particularly on the announcement before Christmas of a 14-week consultation period? We need at least an extension of that, and we need the Minister here to answer those points.

Madam Deputy Speaker: I have had no request from a member of the Government with regard to making a statement on that issue. Again, the hon. Gentleman is a very experienced Member, and I have a feeling that he will probably find other ways to make sure that he can raise his point and question a Minister.

Stephen Lloyd (Eastbourne) (LD): On a point of order, Madam Deputy Speaker. Can the Secretary of State give me an update on the longer-term commitment for the feed-in—

Madam Deputy Speaker: Order. Points of order are supposed to be directed at the Chair. They are not an additional way of putting questions directly to the Secretary of State. Given that we have had a very full statement and Question Time today, the hon. Gentleman has had plenty of opportunities to do that.

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Madam Deputy Speaker. Members have been spotted in recent days wearing such items as denim in the House and catching the Speaker's eye. Could you or the Speaker issue guidance to new Members such as myself on an appropriate dress code for the mother of Parliaments?

Madam Deputy Speaker: There are many things on which the Chair is asked to pass comment; the sartorial elegance of Members is not one of them, and that is not a point of order. As all Members are aware, there is a common dress code for the Chamber, which is to be smart.

Thomas Docherty *rose*—

Madam Deputy Speaker: Mr Docherty, I cannot believe that you have anything further to that point of order.

Thomas Docherty: Further to that point of order, Madam Deputy Speaker. Could the Speaker circulate that dress code to all Members, on both sides of the House, so that we do not have a dress-down Thursday in future?

Madam Deputy Speaker: If you have an issue specifically with Members' dress, you could always speak directly to that Member and advise them. I am sure that they would welcome it, given your own sartorial elegance. But, using the time of the Chair or Mr Speaker to nudge Members in that direction is inappropriate, and I sincerely hope that we can now move on to the rest of today's business.

ROYAL ASSENT

Madam Deputy Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

Finance (No.3) Act 2010

Equitable Life (Payments) Act 2010

Local Government Act 2010

Savings Accounts and Health in Pregnancy Grant Act 2010

Superannuation Act 2010

Terrorist Asset-Freezing etc. Act 2010.

Backbench Business

[14TH ALLOTTED DAY]

Park Homes

1.20 pm

Annette Brooke (Mid Dorset and North Poole) (LD): I beg to move,

That this House notes that there are approximately 1,800 park home sites in England and Wales; further notes that current legislation permits a minority of park home site owners to cause great distress, damage to property and danger to health of park home residents; welcomes the Government's intention to lay before the House secondary legislation to transfer jurisdiction for park homes to the Residential Property Tribunal Service; but calls on the Government to review the case for establishing a fit and proper person criterion for park home site owners and to bring forward relevant legislation at the earliest opportunity to prevent in particular park home site owners interfering with the sale of a park home without good reason.

I thank the Backbench Business Committee for selecting the motion before us for debate today. I am particularly pleased that Back Benchers from across the country have the opportunity to put the case for more protection for a group of very vulnerable people. I also thank the noble Lord Graham for his unstinting support for park home owners over many years.

I particularly thank my constituent, Sonia McColl, from the Silent Woman park home in my constituency for organising and motivating park home owners from all over the country to speak out about their bad experiences. During this year, she organised a massive petition that was presented to 10 Downing street, after which there was a meeting here in the House. More recently, as part of her "justice for park home owners" campaign, well over 100 predominantly older people demonstrated in Old Palace yard with banners, photographs of park homes being torn down and some very good chanting. There was a mass lobby of individual MPs and the day culminated in an extremely well attended meeting in the House, when we sadly heard similar stories from people from all over the country. I thank the Minister for coming and listening on that occasion. I also acknowledge the help and support given by the park home owner associations and welcome the fact that so many MPs are here today to support their constituents. Many other hon. Members have expressed regret that they are unable to attend today. However, they wholeheartedly endorse the call for the Government to take more action.

If we look back over the years, the plight of some park home owners has been raised on many occasions and amendments have been made to legislation. However, some of the worst problems have not been addressed. I was interested to read the Adjournment debate initiated by the former Member for Suffolk Coastal in March 2009. He said:

"I have rarely been as angry about a matter as I am about this case…most of us came into Parliament to oppose bullying. Deep down, what we dislike most is those who are strong bullying the weak." [*Official Report*, 2 March 2009; Vol. 488, c. 701-704.]

The issue raised was the buying and selling of park homes, to which I shall return later. The former Member for Teignbridge secured an Adjournment debate in March 2008, which also covered the buying and selling issues and the need for a fit and proper person rule. I hope that today will be a landmark moment and that the Government will commit to do everything in their power to address these long-standing and well documented issues.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): At the Lakeside park in Bridgwater, we are dealing with blackmail, threats and individuals who are determined to get these people out of their houses. Surely the hon. Lady agrees that the matter has become a national scandal? Right across the country, the lives and livelihoods of these people – in some cases the most vulnerable and needy in society – are being threatened because of this anomaly.

Annette Brooke: I certainly agree that the matter is a national scandal. If we consider the spread of constituencies represented by hon. Members here today, we can see that it truly is a national issue.

There are approximately 85,000 park homes on 2,000 sites in England, and 5,000 homes on 100 sites in Wales. Park home living can provide an idyllic lifestyle. Park homes are often located on the edge of open countryside and they provide a useful addition to the housing supply, particularly for many thousands of mainly retired people. In addition, they provide smaller homes with lower maintenance costs and lower council tax payments; they are on one level, and they occupy small plots within a larger site. There is the opportunity for a really good community to develop in a positive way in the vast majority of sites.

Nadhim Zahawi (Stratford-on-Avon) (Con): I commend the hon. Lady for championing this cause and securing the debate. Although the tribunal will deal with many of the unscrupulous things that those who live on these sites have to put up with, is not the real issue that of being able to dispose of, or sell, a park home? In such cases, is almost too late for the individual concerned by the time the matter goes to tribunal. Sonia and everyone involved must be commended for raising that over and above what the Government are doing on the tribunals.

Annette Brooke: I thank my hon. Friend for that intervention. I shall return to that in more detail, but today we are discussing the crunch of the matter.

Park homes can provide an idyllic community, but community strength can develop in a different way on the minority of sites where there is an unscrupulous operator, who may well bully, intimidate, harass and even defraud vulnerable people. People in adversity will often stick together. However, in some cases, that sense of community cannot develop because park home owners can become too frightened to be seen even talking to their neighbours. I must emphasise that the points that I shall make are directed at a minority of park home site owners. There are excellent, well managed park home sites in my constituency, and I do not wish to suggest that all site owners engage in bad practices.

Dr Julian Lewis (New Forest East) (Con): I add my voice of commendation to those who have praised the hon. Lady's excellent work. Even some of the bigger firms that run park home estates, such as the one I have in my constituency, are not above a bit of sharp practice. I shall give two examples that she might like to consider.

There is a great reluctance to recognise residents' associations—for example, there have been demands for lists of all the people who are going to sign up rather than merely requesting sight of a list and people not then being able to take it away, which I believe is the legal position. In one case, there was even a claim that a letter sent to the park home owner complaining about certain conditions libelled the park home owner. Of course, one cannot libel someone by sending a letter to that person if one does not publish it to anyone else. However, ordinary people might not be able to cope with such tactics without the assistance of their MPs.

Annette Brooke: I agree absolutely with my hon. Friend's points. I endorse the point that residents' associations can in principle be formed, but that they are in practice often obstructed. That relates to my point about people being frightened to be seen talking to others on the park home site.

There are good site owners. However, a minority of site owners make legislation difficult and I hope that the outcome of this debate will be a stiffened resolve to tackle the issues, rather than just saying that they are too difficult. I am extremely pleased that the Government have committed to bringing in secondary legislation to transfer jurisdiction for park homes to the Residential Property Tribunal Service. That will undoubtedly help solve some of the problems that park home owners have been faced with and will remove the need for an expensive court process in many cases.

A recent case I am trying to deal with could potentially be solved through that route. Let me mention it briefly. A park home was purchased in May this year. The new owner wanted to make improvements and applied for an insulation grant for her mobile home from the local authority, and the local authority granted it. There is a clause in the site agreement with the site owner of this particular site that any works to the exterior of a mobile home require the express permission of the site owner. Somewhere along the line, the site owner has requested that the park home owner agrees to her home being re-sited. She has refused to do that and the site owner will not give permission for the insulation to take place. The local authority has confirmed to me that there is no technical reason why the work on the home cannot be carried out in its current position. The tribunal offers the opportunity for both sides to put their case and for all aspects to be considered. Unfortunately for my constituency, this route is not yet open, which is yet another reason why we cannot delay.

Last winter, the electricity supply on a site was faulty on the coldest night of the year. It was not restored in a reasonable time, and an 84-year-old was taken to hospital with hypothermia the next day. Purbeck district council, bravely for a small council, took the site owner to court. The site owner was found guilty and fined £1,000 with £6,000 costs. We could say that we won the battle, but not the war. My worry is that more bullying may follow.

Nicky Morgan (Loughborough) (Con): I congratulate the hon. Lady on securing this debate. The fact that so many Members are here on a day when Christmas is not far away shows the strength of feeling about this issue among constituents and their MPs. I entirely understand what she says about bullying following comments made by residents of Palma park, a park home site in my constituency. The hon. Lady talked about cold nights; in my constituency, the local site owner allowed the gas to run out, which meant that on one of the coldest nights of the year the residents did not have any fuel. The hon. Lady also mentioned the spirit of community in adversity. At the moment, the residents are having to get together to clear the cesspit because the owner will not do so. I entirely agree that this situation cannot be allowed to continue for the many thousands of park home owners across the country.

Annette Brooke: I thank my hon. Friend for that intervention. I am sure that we will be continually reinforcing the same points.

I sincerely believe that we need a fit-and-proper-person law, which local authorities will welcome.

Mr Steve Brine (Winchester) (Con): I add my congratulations to the hon. Lady on securing the debate. She and I work well in many other areas, and I pay tribute to her work on this. We need not only justice for park home owners in their campaign but confidence for people who may think about living in park homes in future but might be terrified of doing so. In my constituency, we often hear about the idea of affordable housing, whatever that means in practice, but these are, in many cases, truly affordable homes. Many people who could have the idyllic lifestyle that park homes can afford may be terrified about moving into that environment because of some of the things that are being mentioned. I hope that that will be one of the things that comes out of this debate.

Annette Brooke: I thank my hon. Friend for that intervention. It is indeed the case that this should provide an idyllic lifestyle and a useful addition to the housing supply.

Somebody said to me that we could make a comparison with the employment of a warden at an elderly persons' dwelling site, because such a warden would be required to have certain characteristics. I am not suggesting that a site owner equates to a warden in any way, but the fit and proper person rule should be taken into account.

Thomas Docherty (Dunfermline and West Fife) (Lab): I welcome this debate; I congratulate the hon. Lady on securing it and on her tireless work on the matter. Does she recognise that there are concerns about fit and proper person criteria given, for example, the utter failure of the Football Association to make them mean anything? Does she agree that the Government must spell out exactly what those criteria are?

Annette Brooke: I thank the hon. Gentleman for his intervention. I am not pretending that this is easy to achieve, but I am trying to get a clear timetable to make progress on it. There is already work in progress. The previous Government had a statutory instrument ready to run, so some consultation has already taken place. We have the tribunal coming on board. That will provide evidence when people bring their cases about fit and proper persons and enable us to work together on all the issues that are arising.

I want to concentrate on malpractice in the buying and selling of park homes. In 2009, I presented a ten-minute rule Bill on this issue that aimed to prevent unjustified interference by a site owner when residents sell their park home. A park home site owner might reasonably wish to meet a prospective buyer, or at least

[Annette Brooke]

to have a reference supplied, but an interview without the seller or an independent witness present can provide opportunities for rogue site owners to make misleading or untrue statements. Examples of such statements from across the country include: "The home is in poor condition"; "The home is not worth the price you're paying"; "The home will have to be moved to another pitch next year"; "I have a right to ask the court to let me take the home off in five years"; and "The park is being developed and the home will have to be moved."

Alternatively, the prospective buyer might be intimidated by real or implied threats and not want to be involved with the site owner in any way. The prospective buyer might understandably decide that he or she does not want to live on a park run in such a way, and/or by such an unpleasant person, and the sale will fall through. After that has been repeated a few times, the seller eventually sells the home to the site owner for a token sum. In each case, there are no witnesses and the prospective buyer is usually unwilling to give a witness statement, as he or she simply wants to get away from the park as quickly as possible. The seller does not usually go to court because there is no witness statement and the buyer is lost anyway.

The incentive for the site owner is to buy the home for a small sum, remove it from the park, site a new and possibly bigger home on the pitch, and sell it, thereby making a clear profit of perhaps £100,000. Rogue site owners currently have the ability to sabotage sales and can rely on the fact that many people who move to park homes are frail, vulnerable, elderly and easily intimidated. It seems reasonable for a site owner to be able to check out a prospective buyer, but how can we stop the abuse and possible fraud currently taking place? My Bill suggested that there should be an independent witness present at such meetings. However, that would not tackle phone conversations, so I can see that this is quite complicated.

In one case, constituents of mine were offered £81,000 by a prospective purchaser on the open market. The site owner had made an earlier offer of £15,000. A meeting took place between the prospective buyer and the site owner, who wrote to my constituent on 4 October 2007 to say:

"Thank you for your letter...introducing the above young lady to me and seeking my approval for her to buy the above home. Since taking over the park in 1999 we have always promoted the location as a retirement one for people over the age of 55. With that in mind I am unable to agree to"

the lady

"purchasing your home".

On 5 October, the next day, a letter was issued to all residents on the park that said:

"Since taking over the Park in 1999 we have always promoted the location as a retirement one for people over the age of 55. My legal advisors have informed that this should be formalised within the Park Rules and I now write to advise you of the addition of the following rule...The Park is for retired/semi retired persons over the age of 55."

So the rule was introduced after the refusal. The letter continued:

"In the event of anyone disagreeing with this rule please let me have your written objection within 28 days of the date of this letter."

Representatives of the residents association on the site tell me that the prospective purchaser was originally prepared to make a statement about conversations with the site owner.

Andrew Bridgen (North West Leicestershire) (Con): While I entirely agree with the need to find a better solution for the buying and selling of park homes, we also need something to help with dispute resolution. In my constituency, I came across a situation regarding residents wishing to insulate their park homes, which was being resisted by the site owner on grounds of the aesthetics of the park. I looked at that and saw that there were arguments in both directions. I then discovered that there was a conflict of interest because the owner was supplying gas to the residents at a premium price. This raises enormous questions. We need a dispute resolution system to deal with such ongoing problems that will give confidence to park home owners and certainty to operators about how they can act with regard to the residents.

Annette Brooke: I thank my hon. Friend for that helpful intervention. As he says, certainty and a clear understanding of the rules, and a requirement not to change them overnight, would be a big step forward. The residential property tribunal will enable both sides to put their case. I do not believe that it will solve the problem with buying and selling, but it is definitely a first step, and this debate will ensure that the next steps go ahead subsequently.

Chris Bryant (Rhondda) (Lab): I, too, congratulate the hon. Lady. There were debates on this matter in the Parliament before she was elected, which were secured by the former Member for Bridgend, Win Griffiths, who had Trecco bay in his constituency. She follows a fine tradition. The big problem is the conflict of interests. The main interest of many site owners is selling new properties. That drives every other decision and informs the way they deal with people. That is why they invent new rules every six or 12 months that make it possible for them to sell another property for £80,000, £90,000, £100,000 or £120,000.

Annette Brooke: I thank the hon. Gentleman for his intervention. It is probably time for me to be balanced. We must accept that the site owner needs a return on their capital to invest in the park and make it a good place to live. We need to get the right balance in the legislation that allows for investment, while ensuring that no extortionate demands are made of people. I think that the House has the will to make that happen.

Christopher Pincher (Tamworth) (Con): May I add to the bouquets under which my hon. Friend is being buried for securing this debate? I also acknowledge the Backbench Business Committee for sponsoring the debate. We are bringing Parliament closer to the people by debating the issues that concern them. Does she agree that reasonable, respectable park owners have nothing to worry about in the extension of the rights of park home residents, because residents want to have sensible rules about their ground rent and maintenance requirements to ensure that their communities are strong and safe?

Annette Brooke: Good site owners want the business to be cleaned up, because the stories that we hear reflect on them and their ability to run their parks. We must take that on board.

Simon Hughes (Bermondsey and Old Southwark) (LD): My hon. Friend not only has huge support today—all of us who attended the lobby pledged to help her take these matters beyond this debate—but if the motion is passed, there is a general will that the Communities and Local Government Committee should be asked to consider this matter. If it takes evidence, there is a willingness to help her and the Government to legislate on all the issues together, not just on the narrow matter that is in the pipeline. I want her to know that we want the law changed to cover all the abuses to which she has alluded.

Annette Brooke: I thank my hon. Friend, because we have to pursue this issue and not just let it go quiet for a year. We have to push at every opportunity.

Alun Cairns (Vale of Glamorgan) (Con): I congratulate my hon. Friend and underline the comments that have been made by all hon. Members about her work. The shift from the county court to the tribunal is important, but many people will face difficulty in using the tribunal process, given that legal aid is not generally available for tribunal services. Does she agree that strong guidance is needed to provide understanding for those who want to use the tribunal process?

Annette Brooke: There was an enlightening presentation on the future tribunal service at the mobile homes all-party group. We were reassured that the process should not cost a great deal of money for the ordinary person and that the cases and outcomes would be published. It would be extremely useful if those were published on the internet, because that would provide evidence for the next stage of legislation. My main concern is that the right to go to a tribunal will not solve the fundamental problems, because potential purchasers will just disappear when the difficulties are raised.

Mel Stride (Central Devon) (Con): I thank the hon. Lady for her great generosity in giving way to so many hon. Members in such a short space of time. The current court process can be prohibitively expensive and many unscrupulous site owners delay in the courts to thwart those who are pursuing them. Does she agree that it is fundamental and vital that the tribunal processes cases swiftly and mediates without delay in all cases?

Annette Brooke: The all-party group made that point clearly and we will monitor the issue. We do not need to wait for the Select Committee to do so.

I shall return to the example that I was giving. We went to the police, because it is a case of fraud. There were enormous difficulties in getting the police to accept that it was not just a civil matter. We now have a clear understanding with Dorset police and matters have moved forward. The case was eventually taken up, although not wholeheartedly. It was not pursued by the Crown Prosecution Service. Even though there are clear examples of fraud, it is difficult to deal with them as such.

I have been putting the case for long enough. I commend the motion to the House so that we can achieve justice for park home owners.

1.46 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): I, too, congratulate the hon. Member for Mid Dorset and North Poole (Annette Brooke) on bringing this matter to the House. I welcome and support her acknowledgment of the role of Lord Ted Graham, who has done magnificent work over many years on this difficult subject.

There are a number of park home sites in my constituency. I lost one and gained one as a result of the boundary changes at the last election. The one that I lost was in extremely good order, whereas the one that I gained is frankly a disgrace. The owner has persistently refused to maintain standards at a level that I regard as necessary for human safety. The electricity supply cabinets are his property, not that of the park home owners. He charges through the nose for the use of the meters, and yet they are unsafe. There has been a circular argument between the site owner, the householders, the local authority and various regulators about who is responsible. I have no doubt that the park owner is responsible. He provides the services at a rip-off price to residents, so he is responsible for ensuring that those services are provided in the manner that would be expected under any other leasehold arrangement. Many hon. Members live in properties that have leasehold arrangements and we should draw many parallels from the standards that we expect. That ought to be the point of guidance on which the law is based. I appreciate that there are differences, partly because the longevity of such structures is typically much shorter than that of brick and mortar properties, but the principle holds.

I like the notion of the fit and proper person, and think that we should work on it. There are some very responsible park owners, some of whom the all-party group has met over the years in their lordships House. We have met people who have had very good ideas about how to improve the relationship between tenant and landlord. We need to identify and build on best practice, and we should support and work with park owners who exercise it. At the same time, we must come down like a ton of bricks on the cowboys in the industry, who are not prepared to ensure that there is safe lighting so that people can get to their homes safely, and who enforce practices such as the hon. Lady described.

Selling scams, in particular, need to be examined carefully. If I own a piece of property and choose to sell it, the relationship should be purely between myself and the person who purchases it, although I appreciate that it happens to be parked on somebody else's land.

I am pleased to see that my neighbour, the hon. Member for Eddisbury (Mr O'Brien), has just arrived. Following the boundary changes, he inherited a good park home site, although he has an interesting relationship with one of the tenants. I shall say no more about that. *[Interruption.]* It is one of his more challenging constituents, I think it is fair to say. Am I right? He is nodding.

If a property conforms to the existing rules of the park, the landlord should have absolutely no right to interfere in the question of who the seller can seek to pass the property on to. If it breaches the rules of the site, that is a different matter. That is the same in conventional leasehold arrangements, because if a property has not been maintained to the required standard for example, in its external decoration the landlord can

[Andrew Miller]

put pressure on the individual living there. A few estate agent or lawyerly-looking people on the Conservative Benches are nodding in agreement with that. Those principles are well established in landlord and tenant relationships, so why do we seek to make the matter complicated?

I say to the Minister that in considering what revisions are necessary—I think all parties agree that revisions are needed—we should start by considering how conventional leaseholders in bricks and mortar properties are treated and ask ourselves what changes would bring about a set of rules that will work for park homes. At the same time, we need to protect the interests of decent park owners and address the challenges that the hon. Lady described.

On the site to which I referred, the owner calculates the electricity bill in quite an interesting way. One resident has written to me stating that the cost of electricity is generally between £2 and £3 a unit, which is pretty pricey. I know that the Government have driven up the price of fuel, but not by that much. It seems extraordinary that utilities can be charged at a price that is frankly exorbitant. If investments have to be made across the landlord's property, it is perfectly reasonable that tenants should make a contribution in the same way that anyone else in that situation would have to. However, for them to be charged for utilities at not just a premium price but a rip-off price seems absolutely wrong. That is another matter that I ask the Minister to consider.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I was under the impression that electricity and mains gas were covered by regulations to be enforced by Ofgem. There is much more of a problem with oil and liquefied petroleum gas, on which there is no protection at all for consumers in park homes. I have been struggling to get an answer from Government Departments on that point. The matter that the hon. Gentleman raises is a real problem, and I hope that the Minister and his colleagues will consider it.

Andrew Miller: I am not sure about gas, because no gas is provided in the homes in question apart from bottled gas. In that particular case, the landlord has a central meter and one can see how much electricity is being used on the whole site, but each property has a sub-meter. That worries me intensely, because he appears—I do not know whether this is correct—to be able to charge whatever he chooses for the renting of the meter, which is a nice way of marking up the price. That may be how he gets away with the price, and perhaps we need to reflect on that detail.

Such little scams, added together, mean that people who are trying to live frugally in properties that are not worth a huge sum are being presented with bills that creep up and up. The House should be in the business of seeking to protect those people, because they are among the most vulnerable. The lady who wrote to me has put her head above the parapet and been prepared to take on the park owner, and I commend her for that. She gets every possible support that I can give her, including working with the local authority, trading standards and so on. However, people in such situations are predominantly those who do not have the capacity to take on landlords who make legal threats such as those that the hon. Member for Mid Dorset and North Poole mentioned. She talked about a rule being changed the day after a purchase was refused, and in such cases people do not have either the money or the experience to take on the case, so they need the House's support.

I urge the Minister, and my hon. Friend the Member for Derby North (Chris Williamson) in working with the Minister, to try to find a set of rules that commands the support of the whole House. I urge him to start his search by examining how the rest of the leasehold world operates and considering whether we can learn from the experience of changes in that sector over the past 20 or 30 years. We need to improve the lot of the particularly vulnerable constituents whom we are all seeking to represent this afternoon.

1.57 pm

Peter Aldous (Waveney) (Con): I congratulate the hon. Member for Mid Dorset and North Poole (Annette Brooke) on securing the debate. I wish to speak in support of the motion, which provides us with an opportunity to raise the concerns of a group of residents whose needs are often overlooked.

Park homes provide an affordable alternative to mainstream housing. Quite often, park home owners are retired and have a limited income. Living on a park has the attractions of both security and affordability and provides the opportunity to build up a community spirit. That said, although it would be wrong to paint all park owners with the same brush as being unscrupulous and unsympathetic, there are concerns that home owners do not have a proper channel for voicing their concerns. They need to ensure that their contractual rights are honoured and that park owners provide them with a good service in return for the money that they pay.

One husband and wife in my constituency have contrasted the service that they received in the 1960s with what they get now. Back then—in different times and with different standards, I admit—in return for £2 a week there were clean and well-kept lavatories, proper baths and a wash house with steaming hot water for the weekly wash. Now, in return for a site rent higher than the monthly council tax bill, the only service provided is street lighting and the occasional filling in of potholes.

I welcome the Government's intention to transfer jurisdiction for park homes to the Residential Property Tribunal Service. That will provide home owners with a more level playing field for resolving disputes with park owners and give them an affordable opportunity to have a say on the management of their site, to ensure that maintenance work is carried out as and when it is necessary and that they get the service for which they have paid.

We need to improve the process for selling homes. Currently, that can take too long and can be drawn out over a long period, and site owners have an opportunity to interfere with sales for no good reason. We should bear it in mind that many home owners are elderly, and when it comes to a sale, they may need to move quickly to fund, for instance, residential care. The ability of site owners unreasonably to drag out the process must be addressed.

Home owners have also complained to me about the high rates of commission charged on sales—10% is a high figure when one takes into account that the homeowner and not the site owner finds the buyer. Quite often, the sale price on which the commission is based reflects the value of improvements such as porches, insulation and brick skirts, for which home owners pay. It strikes me that there is little justification for such high charges if they are in excess of the actual costs incurred by the site owner. It is said that reducing the commission will lead to higher site fees. My reply is that it is better to move to a transparent system in which fair charges are made for providing legitimate services rather one that relies on outdated practices.

In conclusion, I thank the hon. Member for Mid Dorset and North Poole for securing this debate, and I look forward to hearing from the Minister about the Government's timetable for introducing the tribunal service, and their views on how to improve the sales process to make it fairer to home owners.

Several hon. Members *rose*—

Madam Deputy Speaker (Dawn Primarolo): Order. I call Stephen Gilbert.

Stephen Gilbert (St Austell and Newquay) (LD) *rose*—

Stephen Lloyd (Eastbourne) (LD): Thank you very much, Madam Deputy Speaker. Like everyone, I congratulate my hon. Friend—

Madam Deputy Speaker: Order. Clearly, I should speak a little louder. Sometimes I get names wrong, but you are definitely not Stephen Gilbert.

2.2 pm

Stephen Gilbert (St Austell and Newquay) (LD): Thank you, Madam Deputy Speaker. I apologise to my hon. Friend the Member for Eastbourne (Stephen Lloyd). Although we share a first name, there are clearly some differences in our surnames. I am sure he will get a chance to speak later in the debate.

I add my plaudits to those of other hon. Members to my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) for securing today's crucial debate, and to the Backbench Business Committee, which chose it. The Committee is revolutionising the way in which the House works and allows us to respond to our constituents' concerns in a timely way.

There are more than 700 park homes in my constituency. Thousands of people across the country are affected by this issue, so its importance cannot be denied or ignored any longer. It is beholden on the Government to move swiftly on some of the measures that hon. Members have outlined.

As the chair of the all-party group on housing, I am a passionate believer that every person deserves somewhere safe and secure to live, and that no one should experience extortion, intimidation or harassment in their own home, but that is the reality that faces many vulnerable people in park home sites. In my view, there is a serious gap in the legislation and a worrying lack of regulation, and perhaps most importantly, as has been mentioned, there is no fit and proper person test for site owners, who in effect act as landlords to communities of vulnerable people.

Of course, the majority of park home sites are well run by well meaning people. However, the House cannot refuse to take action just because the majority do well. One reason we are here is to look after, and intervene for, minorities who face difficulty.

Earlier this year, in the run-up to the general election, I conducted a survey of every park home in my constituency. Many of the responses were more concerning than those that hon. Members receive from average street surveys—they were distressing to read. One issue that came up time and again is the extortionate rates at which some site owners increase their pitch fees year on year. One constituent told me of an annual increase of 20%, which is clearly out of order—it was well above the rate of inflation for that or any year. However, that person was elderly and vulnerable, and had no one to act as their advocate. They were entirely reliant on the information that the site owner provided them on their rights.

A 2002 study by Shelter, the housing charity, suggested that

"in practice above-inflation increases or one-off charges may be levied to cover particular items."

However, the problem is much more endemic. Clearly, above-inflation increases are the norm in sites across the country, and there is no added value for residents. I hope the Minister addresses that in his comments.

Another issue arises when we go back to basics. Under Land Registry rules, there is no requirement to register pitches, so although sites might be registered, individual pitches are not. That enables site owners to move the chalets around and provides no security of tenure for the people who have notionally purchased at least an interest in the pitch.

Christopher Pincher: My hon. Friend uses the word "chalets" to describe park homes. Are there too many ways of describing such homes? They are variously called park homes, chalet sites, static homes and mobile homes, but they are not mobile homes or chalets. They are plumbed into the mains water system and have mains electricity and often gas. If I can put this sensitively, the people in them are very often the opposite of mobile. That should be recognised in the law and in how we describe such places. Such homes are not chalets or mobile homes; they are residential properties.

Stephen Gilbert: I absolutely agree with my hon. Friend—I was going to make exactly that point. In a written parliamentary answer to me, the Housing and Local Government Minister used the word "chattel". My broader point was that people who live in these homes are trying to find a better way of life for themselves, but they purchase no interest in the land on which their homes are sited. They should have such an interest. The House needs to define what that interest is and to make it clear that the pitch comes as part of the package.

When we add to those problems utility provision and charging, and the above-inflation annual increases in the pitch fee, we can see how difficult it can be for park home owners to budget and plan their finances from year to year. Again, in my survey of my constituency, I

[Stephen Gilbert]

heard horror stories similar to those told by the hon. Member for Ellesmere Port and Neston (Andrew Miller). There are increases in charges for water, sewage, electricity and all the basics. Tenants and freeholders take it for granted that they get a fair deal from their suppliers, but park home owners do not have that certainty. Even if they know that they are not getting a fair deal, the vulnerable people we are talking about simply do not understand how to exercise their rights.

Indeed, the draft Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006 clearly states that if requested by an occupier, the site owner shall provide documentary evidence in support and explanation of any charges for gas, electricity, water, sewerage or other services payable by the occupier, but that never happens. My hon. Friend the Member for Mid Dorset and North Poole spoke of the difficulties that park home residents find in forming residents' associations and making them into effective vehicles for making those points.

Many elderly and vulnerable people are caught in a very difficult position; as other hon. Members said, selling park homes can be a difficult process. Site owners can prevent sales by blocking a homeowner's right to sell through a notice to terminate agreements on the basis that the home is having a detrimental effect on the site. However, site owners use that so that they can simply jump in with a bid at a knock-down price.

Even if a site owner does not block a sale, selling might not stack up financially for residents because of the site owner's entitlement to take a commission of up to 10% of the sale price. Many residents who have tried to buy into a dream have ended up living something less than that, but they could be worse off if they try to exit because of the 10% rule. It is no surprise that the rule is resented by homeowners. Many of them have put up with increasing annual pitch fees, and many have added value to their homes because they are proud people who want to live in nice surroundings.

Finally, I have serious concerns about the harassment, bullying and general intimidation to which homeowners on park home sites are all too often subjected. Bullying tactics, threatening behaviour and even assault are not the norm, but they are not rare either. That is why this subject has brought so many Members to this debate, and it is why it is so important that the Government hear the House's concerns.

Andrew Bridgen: I appreciate my hon. Friend's measured language and his acknowledgment that most park home operators are responsible people doing the best they can for their residents. However, does he agree that, in the wrong hands, the system we have now for the operation of park homes is the nearest thing to feudalism that remains in our country? The introduction of sensitive, fair and well-thought-out legislation could enhance the situation by providing protection for both park home owners and operators, which could only be good for the industry, and, with markets being what they are, it would enhance the value of those properties for everybody.

Stephen Gilbert: My hon. Friend puts the point far more eloquently than I have been able to do: we are dealing with the remnants of a feudal system. I hope that the Minister has heard that point.

I want to be balanced, however, because I want to welcome the steps that the Government have already taken—in particular, the transfer of responsibility for on-site disputes to the Residential Property Tribunal Service. That is a helpful step forward, but it cannot be seen as the end game for the Government in their approach to effective regulation of park homes. I do not just want to help my residents to resolve disputes; I want to prevent them from having them in the first place. However, that will require a much stronger and transparent regulatory regime. I look forward, therefore, to hearing from the Minister about the work he has done with interested parties and the recommendations they have made to him.

I end with a call to arms: this issue bubbled away under the last Labour Government—and indeed the previous Conservative Government—but it is time that we gripped it, because we are talking about many thousands of our most vulnerable citizens.

2.12 pm

Heather Wheeler (South Derbyshire) (Con): Like my hon. Friends, I congratulate the hon. Member for Mid Dorset and North Poole (Annette Brooke) on securing this debate.

I have been dealing with the issue of park homes for more than three years, and a number of years ago we wrote to the Minister then in charge of the problem about the fit and proper person test. We have to get to grips with this, because it is a scandal. My hon. Friend the Member for St Austell and Newquay (Stephen Gilbert) said that this has been a problem not just over the past 13 years but before that. If anything can happen in this new Parliament, please can this change be made? We have some superb sites in South Derbyshire, and some very bad ones too. I will not name names, notwithstanding parliamentary privilege, because there are court cases going on and I do not want to say anything that could prejudice them. But for goodness' sake, this is a wonderful opportunity to show what a progressive Government this is. I wish I could say that we have the support of both sides of the Chamber. However, it is important that the pleas being made today by hon. Members from across the nation are heard and that the matter is taken forward.

2.13 pm

Mr Andrew Turner (Isle of Wight) (Con): I thank you, Madam Deputy Speaker, for giving me the opportunity to speak in this debate, and I congratulate my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) on securing it.

I have been approached by a large number of my constituents who have highlighted to me their problems with residential mobile home parks. However, I first want to address the misconception that many people have when talking about mobile homes. As residents, these people are not on a weekend or summer holiday, but permanently living in one place—their mobile homes. These are substantial structures that are not, as their name may suggest, actually mobile. In the UK, we have always stood for the principle that a man's home is his castle. Today we are talking about people's homes. Although they may not be the conventional bricks and mortar, they represent the same ideas and sanctuary of

the individual. With that in mind, I hope that we can encourage a debate that will lead to mobile homes being granted some, if not all, of the same rights that conventional home owners have.

The residents of Medina Park residents association in my constituency have contacted me with numerous complaints about the owners of their park, Leisure Park Real Estate, which runs several parks across the country. Their main complaint is the unfair level of power that the owners of mobile home parks have over the residents, especially when dealing with the buying and selling of mobile homes. An owner of a park is currently permitted to vet potential buyers of a mobile home. This seems reasonable enough, because it is important that they know whom they are letting into their park. However, this becomes a problem when the owner starts abusing this right—for example, by introducing extra clauses. That might include telling the resident where he can buy his supplies, what company can provide services for him or what homes he is allowed to buy.

I was told of one case in which a potential buyer was told that she could bring her pet dog on to the site only if she bought one of the more expensive homes. That is clearly an abuse of the original intention of this power. I have also been told that an unscrupulous park owner uses this power to interfere in existing owners' attempts to sell their property. The constant interference by some park owners in the sale of mobile homes—be it through estate agents or private viewings—puts many people off purchasing mobile homes, ruining the opportunity of many residents to sell up and leave.

At the moment, the only solution is a tribunal, which does not give value for money, is not effective and puts people off finding a solution, leaving them at the mercy of park owners. I have been told of one instance where a family have been paying ground rent for more than four years while they try to sell their deceased relatives' mobile home, but are constantly blocked by the park owner. We have also seen, in cases like these, park owners deliberately trying to force down the prices of existing homes, so that they can buy out all or some of the existing homes and replace them with more expensive, profitable homes and make more money. We have also seen that park owners are unwilling to co-operate with residents' associations, often refusing contact with those who participate in such groups.

A large number of residents in mobile home parks are elderly, with many parks seen as an ideal venue for retirement. However, the activities of unscrupulous park owners may disrupt this. Furthermore, many residents face continued intimidation from park owners. The elderly are in the worst position, because they are unable to stand up to such owners—many do not have the required energy to do so. These issues are not just restricted to my constituency—that is evident from today's debate. I know that many mobile home parks suffer from the same problems, often from the same people, who may own numerous parks.

I also know that the solutions that residents' associations want are very similar. We need to change the law so that the principle of vetting a buyer to ensure that they are a fit and proper person also applies to park owners. That is the only way to sort them out. Those owners about whom no one has any complaints will have nothing to lose and everything to gain by being a respectable park owner. We would then need to increase powers to councils to remove licences for park owners who abuse their power. It is most important that we recognise that mobile homes are homes and no different from any other house in the country, and that they should be afforded the same rights as we give to home owners.

2.20 pm

Stephen Lloyd (Eastbourne) (LD): A few Members in the Chamber may know that I am rather hard of hearing, but I have discovered since being elected that in politics there are some advantages to being hard of hearing. However, I will leave that to those in the Chamber to determine.

Like everyone else, I would like to congratulate my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) on bringing this debate to the Chamber. Christmas has come 35 times this afternoon, with so many compliments being paid, but I really mean it, because we are talking about a real issue. It is a fascinating thing, but I did not know that it was an issue until I got involved in politics and met a number of people living in mobile homes either within my constituency or just outside it. It was only then that I discovered what a complete lack of any kind of level playing field there is. It is quite shocking. We are talking about basic things, such as park owners buying mobile homes off the original owners at anything up to a 25% discount and then selling them on. Like other hon. Members, I have even had constituents tell me—I cannot prove this—that their utility bills were ramped up considerably. It is absolutely incredible. Others have talked about trying to form residents' committees. Similarly, people have been leant on and have not even been able to put together a tenants' committee through which they could put their points of view. It is quite extraordinary.

In preparing for this debate I did some more research, and, having spoken to my hon. Friend and listened to other hon. Friends today, I know that there has been a problem for quite a while. Indeed, there are people in the House who have been fighting on the issue for quite a while. I pay tribute to them. I am confident about the complete universality of where we are coming from today. I am confident too that the Minister, who is a good hon. Friend of mine, will take that on board and no doubt do all the miraculous things for which he was well known well before he reached the coalition Front Bench—no pressure there, but I look forward to that. We all know what needs doing; we all know that something needs to be done. I look forward to joining my hon. Friend the Member for Mid Dorset and North Poole in what I hope will be a victory on this issue in the new year.

The really interesting thing about this debate is the huge variety. There is one park home—or however we want to define it—in my constituency called King's Park that is absolutely outstanding. The sense of community in King's Park is absolutely fantastic, and that applies across the piece, from people who have been there a short time to those who have been there a long time. To be perfectly honest, if I had lost at the last election and gone broke, I would probably have moved there myself. It looked so good and there was such a sense of community. That shows the variety that exists, and that is a good thing. However, if all park home owners were similar to those at King's Park, we would not be having this debate. The sense of quality, community and responsibility

[Stephen Lloyd]

there is so strong that we might all want to move there with the agreement of the Independent Parliamentary Standards Authority, obviously.

The challenge is that the lack of regulation means that unscrupulous people have been abusing vulnerable individuals and families for far too long. It is the old story, but I was having a discussion with one of my Conservative colleagues yesterday on the very issue of regulation—the regulation of banking, as it happens, or, to be precise, the regulation of independent financial advisers. The conundrum is that we need x amount of regulation to prevent disreputable people from taking advantage of vulnerable individuals, but the same thing always happens, which is that the regulation gets so strong and heavy that it puts off businesses from getting involved. We end up in a chicken-and-egg situation, and this issue is a classic case in point. In one sense, the regulation is pretty light-touch, because 90% of park home owners—or whatever the proportion is—are, I am quite sure, reputable individuals who do not need heavy regulation. They get on with things, they earn an honest buck and they look after the people who live in their mobile homes. There is not a problem with them. However, because the regulation is slightly weak, the remaining 10%—or whatever the proportion is—are completely unscrupulous people who have driven a coach and horses through that regulation, abusing numerous families and couples, who are often elderly, in a most disgraceful way.

I know what is going to happen, and I agree with it, unfortunately. We are going to need to toughen up the regulations, in exactly the way that my hon. Friend the Member for Mid Dorset and North Poole proposed in her speech. I will support that 100%, but I find it so frustrating sometimes. The 10% tail is wagging the 90% dog. It is absolutely infuriating. I can think of some ways in which we might deal with that 10% of society, but they might be a bit illiberal and *The Guardian* will not like me—which it does not anyway since the election, so I will move on. I would urge the Minister to listen to everything that we are saying, and to come through with some support and some suggestions in the new year that are a little more robust than what we are talking about at the minute, because it is quite clear that this issue has gone on a long time. It has obviously become perfectly acceptable for a pretty large number of mobile home owners to behave in a shocking and disreputable way, and it has to be stopped.

Andrew Bridgen: Because the fact that the regulation is light-touch is now in the public domain, will my hon. Friend concede that if we do nothing, that will make it more attractive for disreputable people to go into that line of business?

Stephen Lloyd: My hon. Friend hits the nail on the head, not least because this is the conclusion that I have come to—a fair number of disreputable home owners know each other. The practice has been going on for years and, bluntly, it is a scam. Therefore, I am afraid that, as a light-touch, business-wing Liberal, I am going to ask the Minister for more regulation, and I would urge him to come forward with it sooner rather than later, so that we are not having the same debate in a year's time. We are talking about people who deserve better, and I am absolutely confident that the coalition Government, with cross-party support, will deliver on that. Finally, I again congratulate my hon. Friend the Member for Mid Dorset and North Poole on securing this debate.

2.27 pm

Richard Graham (Gloucester) (Con): Hon. Members will be interested to know that there is a blog on which one can follow some interesting debates concerning the residents of park homes. Let me quote from one which asks,

"are the government going to sit up and take notice of us the residents, or are we to remain"

the forgotten lost? That is the challenge for us today, and the forgotten lost are not few in number. As the hon. Member for Mid Dorset and North Poole (Annette Brooke) pointed out, there are 80,000 such homes in England, and I would guesstimate that these contain slightly under 150,000 people. That is a large army—indeed, several times the army that Wat Tyler took to London bridge in the peasants' revolt of 1381. There is a sense in which the residents of park homes today are the equivalent of modern serfs, under arbitrary landlords; or, as the Housing Minister put it more gently, there is an issue about exercising their rights.

I would like to join the many other hon. Members who have paid tribute to the hon. Lady for securing this debate today, in which many people on this side of the House, and one hon. Gentleman on the other side, have spoken for this large community of some 150,000 people. My hon. Friend the Member for Tamworth (Christopher Pincher) commented that the hon. Lady had been buried under a sea of bouquets. I hope that she has all her bouquets, but that she is not buried, because we need her very much above the ground and kicking in order to take the motion forward. I should also like to pay tribute to Lord Graham of Edmonton. He is no relation, and I think that he holds different political views from mine, but I know that he has done some very good work on this subject.

We welcome the Government's commitment to the transfer of responsibility from the county courts to the residential property tribunals in February, although we recognise that that will not in itself solve everything. I would like to develop a few themes on certain issues and potential solutions that the Minister might like to consider. The first is the recognition of legal residents associations, to which one or two other Members have alluded. There are two park home sites in my constituency, one of which is Woodlands Park in Quedgeley. It has a residents association, which has been admirably chaired by Mike Morgan for many years, but the association is not fully recognised by the owner of Woodlands Park. It is high time that it was, and the same is true for all park homes.

In the motion, the hon. Member for Mid Dorset and North Poole rightly calls on the Government

"to review the case for establishing a fit and proper person criterion for park home site owners".

I believe that the best way to take this forward would be for the Government to approve the licensing of park home sites by local authorities. This would have the additional advantage of the licensing authority being able to overview the documentation—sales documents, in particular—to ensure that any buyers of park homes were fully aware of the system of remuneration for

owners, which is based on the sale price, the commission and the pitch rent. Those details need to be clarified and spelt out extremely clearly, so that anyone who buys a park home can be aware of what they are doing.

The motion also proposes that owners should cease to interfere with the sale process. I agree with that, but we also need to consider how the loopholes in section 207 of the Housing Act 2004 could be tightened up. In relation to the sale commission, in particular, there is a case for licensing authorities to look at whether a sliding scale could be established, which would vary according to the length of residency by the people who buy park homes.

I should like to highlight some further points that have arisen in relation to Woodlands Park and that could also be reviewed by licensing authorities. The first relates to utilities, and I should like to quote from a recent e-mail on this subject:

"Any resident changing to natural gas from bottled gas has to pay £6.50 a week extra for the privilege. Note this figure is added to the monthly pitch fee and continues for life!"

That cannot be justifiable, and charges for utilities should be brought under the licensing authorities' review.

The second issue relates to pitch fees, and I quote again:

"One of our residents who moved to the site was paying £106.72 per month pitch fees. This was confirmed in writing...in March 2007...and a letter followed in December 2007 stating that he had underpaid therefore the pitch fee was increased to £140.38 per month. This equates to a 31.5% increase."

That was entirely arbitrary; it was done after the sale, and there is no way for the resident to challenge it except through the very expensive process of going to the county court. That, too, needs to be reviewed.

Justin Tomlinson (North Swindon) (Con): On the point about seeking legal recourse, my own experience of dealing with the challenges faced by the residents of Blunsdon Abbey Park is that they often have neither the financial nor the health capability to engage in a long legal battle.

Richard Graham: My hon. Friend is absolutely correct. The financial costs of such proceedings are prohibitive, even when residents are physically and mentally able to take the process forward.

In the review of the process sales cost, sales commission and pitch fee in its 2001 study, Berkeley Hanover said that there was no evidence of excessive profits as a whole, but that the process could not be described as

"perfectly fair, flexible and transparent".

I think that that is putting it mildly, and that the issue needs to be tackled.

Today there has been a call for action—for what the hon. Member for Mid Dorset and North Poole called a stiffening of resolve. I think that all of us who have spoken so far today feel the same. I ask the Minister and the Government to consider making local government licensing authorities responsible for approving, monitoring and licensing park homes, for clarifying the sales process and in particular the commission, for ensuring that the correct documents are issued before the sale of homes, for reviewing the charges for utilities, and for the collection of rubbish and environmental health—a subsidiary issue which, although sometimes overlooked, needs attention in many park homes at a time when we are all keen to drive up recycling rates.

Today the Government have a chance to help 150,000 British citizens without having any impact on the ghastly budget deficit. I hope that they will seize the moment, and will give our constituents a very happy new year in 2011.

2.36 pm

Gordon Henderson (Sittingbourne and Sheppey) (Con): So far Members have concentrated on park home owners who have all-year-round occupation, but we should not forget those who have restricted occupation rights and who also have different problems. I want to address some of those problems.

Like my hon. Friend the Member for South Derbyshire (Heather Wheeler), I need to be careful about what I say, because there is a court case pending involving a particular site owner. The basic facts are these. One of the residents of the park alleges that the owner sold a mobile home for £80,000 under a leasehold agreement. I have seen a copy of the agreement, and it clearly states that the resident is entitled to all-year-round occupation. However, the resident has now been told to leave the site because it is allowed to open for only eight months of the year.

Madam Deputy Speaker (Dawn Primarolo): Order. I realise that the hon. Gentleman wants to make his point, but I remind him that he needs to be very careful about what he says in order not to venture into current court proceedings. I am sure that he was going to do that, but I thought that I would remind him just in case it had slipped his mind.

Gordon Henderson: Thank you for your advice, Madam Deputy Speaker. I appreciate that the matter is sub judice, and I will be extremely careful. If you listen to my words, Madam Deputy Speaker, you will understand why I am using some of them.

Naturally, the resident has refused to leave the site, and has commenced legal action against the site owner—who, it is alleged, has responded with a campaign of harassment and intimidation. If that is true, such action is simply—

Madam Deputy Speaker: Order. I am very sorry to interrupt the hon. Gentleman again, but I am afraid that he cannot make that allegation in the context of a current court case. I am really trying to guide him, and I am being advised on this. I ask him to be very careful.

Gordon Henderson: You will be delighted to know, Madam Deputy Speaker, that I was about to end that section of my speech, but I thank you again for your advice. You will have noted that I have mentioned no names at all. However, I will take your advice and move on to another aspect of park home sites that I think should be included in any future legislation, namely periods of occupation.

On Sheppey we have nearly 7,000 park homes, 4,000 of which are mobile homes and 3,000 of which are chalets or bungalows. Those homes provide sufficient accommodation for 28,000 holidaymakers, but it has been calculated that, given the change in holiday patterns, accommodation for a number closer to 10,000 is probably

[Gordon Henderson]

required. Some of those sites have permission for 10-month occupancy, while others have permission for only eight months. Many park homes are freehold properties, and some of them are of the very highest standard and built to full building regulations. They are no longer holiday homes, but are occupied by their owners for 10 months of the year, yet their owners are made homeless for two months of the year by the current planning laws.

One such site is Parklands village in Minster, where the residents of 76 dwellings have this week received a letter from the local authority reminding them that staying in their home between 3 January and the end of February will be a criminal offence. Somewhat bizarrely, these potential criminals were advised to contact the housing services department if they have any difficulty in finding alternative or temporary accommodation.

To add to this ludicrous situation, the reason given by planning officers for refusing a planning application for all-year-round occupation of Parkland village is that it is at risk from flooding. Setting aside the fact that a full risk assessment of the site has shown that the risk from flooding is minimal, and also setting aside the convoluted logic that refuses to allow occupation of the homes during January and February when the risk of flooding is at its lowest but allows occupation in March and April when the spring tides are at their highest, it is madness to force people out of perfectly good dwellings because of a supposed risk of flooding when those dwellings are located slap-bang next to a single-storey hotel that has permission for all-year-round occupancy. These residents are being forced, under threat of prosecution, to leave perfectly good-quality bungalows that have full building regulations and energy standards approved by the local authority's building control section, and are being encouraged to move into hotel accommodation, such as that offered by the hotel situated on the same site as the bungalows they own. Such a policy is beyond parody, but I do not blame my local authority; I blame a planning system that has allowed such illogical action. It is time that that system is changed.

Like the constituencies of many other Members, the area I represent has a lengthy housing waiting list, yet we have over 3,000 surplus park homes on Sheppey. In 2006, Baroness Andrews was an Under-Secretary of State in the late unlamented Office of the Deputy Prime Minister, and she made a speech in which she said:

"We all know that this country has a real challenge to meet the need for homes from a rapidly growing household population, as people live longer and more people choose to live alone. Park homes have a real part to play in expanding the choice and diversity in the housing stock and in providing affordable energy efficient homes."

Let me categorically state that park homes are a part of the solution: they can help us meet the need for homes. They provide choice, quality and market-price affordability, and they can add environmentally friendly homes to the housing market. They provide a setting for stable, mixed, sustainable communities of all ages and household types.

Mr Andrew Turner: I am listening with interest to my hon. Friend's comments. He says some of these homes are up to standard, but what would he say about those that are not up to standard and where people are prevented from staying for more than 10 months a year?

Gordon Henderson: I might address that point in my final comments.

I agree wholeheartedly with Baroness Andrews, and I am only sorry that the Government in which she served did not follow up her fine words with action. I hope that the current coalition Government do a lot better in tackling the housing shortage. One way in which they can start to do that is by taking note of the motion and introducing legislation to prevent park site owners from interfering in the sale of park homes without good reason, and using the opportunity actively to encourage local authorities to look much more sympathetically at planning applications that seek to convert holiday park home sites into permanent residential dwellings, conditional on those dwellings meeting full building regulations standards. That would be a way of providing extra homes to the people who need them in my constituency.

2.45 pm

Mr Robert Buckland (South Swindon) (Con): I am grateful for the opportunity to take part in this debate, and I, too, congratulate the hon. Member for Mid Dorset and North Poole (Annette Brooke), with whom I campaign assiduously as a member of the all-party group on mobile homes. As the House has heard, the group has received a number of delegations and deputations, not just in recent months, but in the period prior to my election as a Member of this House. My interest and concern in this area dates back to my days as a parliamentary candidate, when I met and discussed issues relating to park homes with the residents of the Brook Meadow park, which is in the village of Wroughton, where I live in my constituency. A number of residents, some of whom are elderly—they will forgive me for saying that—are not frightened to write to and lobby their Member of Parliament, or to come to the precincts of this House to make impassioned speeches on behalf of not only their own interests, but those of all their friends and neighbours.

An old principle in property law is the right of quiet enjoyment. That principle is well known to English law. It applies to people who live in bricks and mortar, so why does it not apply to people who live in park homes? The reason is simply that there has been only a gradual acceptance among law makers and opinion formers that park homes are not just goods or chattels, but places where people live. That acceptance means that the rights of property—the rights that we automatically assume apply for not only people who own homes, but those who rent bricks and mortar—should now apply for people in park homes.

Interestingly, amendments to the Mobile Homes Act 1983—I am grateful to my hon. Friend the Member for Tamworth (Christopher Pincher) for his proper intervention pointing out that that term can lead to a lot of misunderstanding—were made by the Housing Act 2004. Perhaps that was an implicit acceptance by the then Government that we were no longer talking about mere chattels, but about places in which people live. Whether that was a Freudian slip or a deliberate intention, I welcome it. I suggest that our new Government should adopt that philosophy when dealing with park homes, treating them as houses and places where people live. The Government should allow those people equivalent rights to those that property owners or tenants enjoy

under the protection of not only the 2004 Act, but the range of housing legislation that has evolved in this place since the latter part of the 19th century.

The issues and problems raised with me by my local residents are similar to those echoed by other hon. Members, and I do not seek to repeat them. They boil down to a few key areas. There are serious issues relating to the sale of park homes, there is a lack of resolution relating to agreements about the pitch fees to be charged every month and there are problems with utilities. I wish to deal with those in reverse order.

My hon. Friend the Member for Suffolk Coastal (Dr Coffey) rightly reminded us in an intervention that gas and electricity utilities enjoy the protection of Ofgem, and water utilities enjoy the protection of Ofwat, and that various guidelines and directives have been issued. The problem arises when electricity and water supplies are administered via the site owner; in other words, they come through a wholesale agreement via the site owner, rather than to individual pitches. Therein lies a great problem. It does not allow domestic users in each park home to benefit from domestic tariffs, for example. A wholesale business-related tariff is charged to the park that is not as advantageous to residents as it might be.

Another problem is that the lack of direct contact between the utility company and the resident can lead to all sorts of complications. One local example occurred in Brook Meadow a few years ago where there was the awful case of residents being written to by the electricity company and told that their electricity was about to be cut off because the company was in dispute with the site owner. The site owner had allowed matters to develop to the door of the court before he finally relented and paid the bill that was overdue. That is not a satisfactory position for residents to be put in. They were thoroughly innocent third parties who were literally terrified at the thought of not having electricity supplied to their homes. That is an inconsistency that needs to be resolved, and it should be resolved via a system of licensing and regulation.

The same can be said about the water supply. Site home owners experience a lot of problems with water pressure. It is far better, in my view, for the site owners to withdraw from the supply issue and let residents deal directly with water companies. That would be far more transparent and easier to administer.

I have mentioned the difficulty with pitch fees. In the case that I am dealing with, the dispute about pitch fees remains unresolved. That has an unpleasant knock-on effect because, in direct breach of the regulations, the site owner has been in the habit of, in effect, threatening prospective sellers of pitches with the fact that the pitch fee has been unpaid, saying that he wants resolution of the unpaid debt before he will permit the sale. He is putting an entirely discrete issue in the way of the sale of a home. That is wholly wrong and in breach of the current regulations, but it is happening.

I use that example to make the more general point that it is now time for local authorities, which exercise a range of powers in other licensing areas, to take on the responsibility of licensing the owners of park home sites. The phrase "fit and proper person" has quite rightly been put under the microscope. It needs very careful definition, but perhaps one can draw a comparison with taxi licences and licences for public houses and clubs. In such cases, local authorities look carefully at each application, gather information about previous convictions and other such relevant information, and make a judgment based on all the evidence.

I am not a person who likes to call automatically for more regulation, but such is the gravity of the situation that faces so many park home residents that there is sadly no alternative.

Christopher Pincher: My hon. Friend said at the beginning of his speech that many park home residents are not frightened to come forward, but we all know that many park home residents are frightened to come forward. I am sure that he would agree that many of these people do not have assets. In fact, the only assets they have are their park homes and possibly their cars. They do not have the wherewithal to seek justice, so the law must be extended to protect them.

Mr Buckland: I am grateful to my hon. Friend, who allows me seamlessly to move on to my final point, bearing in mind the need for other colleagues to have their say.

My hon. Friend the Member for Gloucester (Richard Graham) made some cogent points about the provisions of section 207 of the Housing Act 2004, which amended the schedule that applies to the procedure to be adopted on the sale of park homes. That schedule has been subject to several amendments and it is sometimes difficult to follow the path that allows one to work out precisely what is in force and what is not. I understand that from the moment a request is made by the occupier — the owner of the park home — the owner of the site has to respond within 28 days to

"approve the person, unless it is reasonable for him not to do so, and…serve on the occupier notice of his decision whether or not to approve the person."

I am afraid that is far too honoured in the breach, than in the observance. When it is honoured it is being used as a mechanism to delay sale for reasons that my hon. Friend the Member for Isle of Wight (Mr Turner) has set out very carefully.

Justin Tomlinson: I also see examples in which site owners are trying to get long-term residents out of the site and new tenants in on temporary contracts so that they can ultimately try to put the site up for sale for potential residential development at huge profit.

Mr Buckland: I am grateful to my hon. Friend for making that point, which has not been made before. We know that unscrupulous site owners will drive down the value of a park home, buy it at that low value and, sometimes, re-sell the same home to make a fast profit. That is an unacceptable abuse of the current situation.

A concrete proposal that the Minister could consider is whether we should adopt a system of deemed acceptance by an owner after a certain period. My experience locally and more generally is that there is often a disastrous combination of indifference and incompetence mixed with cynicism and a wish to make an illicit profit, but why should we allow sites where there is that cocktail to benefit from the current regulations? We should punish incompetence and indifference by adopting principles such as deemed acceptance. Currently, the onus is on the park home owner to seek from the court — I welcome the fact that it will soon be a tribunal — a declaration that the person to whom they wish to sell

[Mr Buckland]

their property has been approved. Many hon. Members have asked whether that is the right balance. Are we asking too much of people, many of whom are vulnerable, or of the dependants of people who have died and left their park home as part of their bequest? Should we not redress the balance and put the ball back in the court of the park home owner when it comes to sales? I urge the Minister seriously to consider the principle of deemed acceptance and whether it can be worked into a revised schedule. That would be a better way of dealing with the legislation than tweaking it as we have in the past few years.

Andrew Miller: Let me put to the hon. Gentleman a point that I tried to make in my speech. If the park home owner has maintained the property within the site's rules, why should the site owner have any say about whom the sale should be made to? I have not heard a rational reason why there should be any blockage at that point.

Mr Buckland: I remind the hon. Gentleman that there is a balance to strike. The site owner owns the land and the property, and we have to accept that there are many good, decent and proper site owners. That is why I am talking, as he did, about striking a delicate balance. We have to be careful of the age-old problem of using a sledgehammer to crack the proverbial nut. None of us wants to punish good site owners, but hon. Members the length and breadth of the land keep coming up against the rotten apples that are damaging the reputation of park homes, undermining their viability for the future and, potentially, starving the country of a useful source of housing supply. I regret that I see no other alternative than for park homes to fall under the ambit of proper regulation by a local authority.

Involving local authorities at the beginning, when the site owner wants to purchase the land, is a good way of engaging them throughout the process. Many colleagues will be aware that one of the problems is that local authorities are involved only reactively, when they are faced with a particular challenge or problem, or a prosecution, as the hon. Member for Mid Dorset and North Poole said, so they are psychologically on the back foot. There is a good case to be made for local authorities taking a proactive role, which is why I commend the approach that Members want the Government to take.

The time for tinkering has passed; it is time for a wholesale root-and-branch look at the regulations. If there is no time for new legislation, I urge the Government at the very least to look at the entire ambit of the schedule to the amended and re-amended Mobile Homes Act. Let us get things right for future generations and give current park home residents peace of mind. Let us allow them the principle of quiet enjoyment.

3.1 pm

Mel Stride (Central Devon) (Con): I support the motion and, like many other Members, I congratulate the hon. Member for Mid Dorset and North Poole (Annette Brooke) on moving it.

As my hon. Friend the Member for Gloucester (Richard Graham) pointed out, there are many park home sites up and down the country and many park home owners. In England alone, there are 85,000 park home owners, spread across 2,000 sites. In the main, as the hon. Member for Eastbourne (Stephen Lloyd) eloquently stressed, the sites are run well; they are good places to live. Park homes are comfortable and relatively easy to maintain. They are relatively low cost and affordable. Most of them—certainly those in my constituency—are in pleasant locations. They are nice places to live. Whether park home sites are well or poorly run, they have a strong sense of community.

On a minority of sites, residents face many great problems. In my constituency, the spectrum of problems ranges from sites that are somewhat poorly managed to those where there are blatant breaches of health and safety regulations, many along the lines highlighted by the hon. Member for Ellesmere Port and Neston (Andrew Miller). In my constituency, at the uglier end of the spectrum, there are examples of intimidation, particularly of vulnerable and elderly people. Intimidation often affects the mental health of elderly residents and can, on occasion, result in great financial loss, as we have heard from many Members this afternoon. I echo the comments made by many Members, and congratulate Sonia McColl on her justice campaign, on pressing so firmly on this important issue and on the work and energy that went into arranging the lobby of Parliament on 3 November.

There are a number of challenging issues, many of which have been raised this afternoon, relating to the operation of park home sites. We have heard much about the importance of the approval of the buyer stage, when an unscrupulous park site owner can put people off and use the rules to make sure that the park home owner does not achieve fair value for their property. In 1990-91, a Department of the Environment survey showed that 25% of park home owners expected problems with the sales process in the future. Of that 25%, some 51% felt that the site owner or the owning company would be the cause of the problems.

Mrs McColl is particularly keen that the approval of the buyer stage should take place in the presence of a solicitor or at a solicitor's office. I think we should be slightly cautious here, because I am not convinced that that requirement, in and of itself, will solve the problem, and it will add to the cost of the transactions. But where a wrong has been done there should be quick redress at low cost, and substantial damages should be available to those pursuing unscrupulous site owners.

The second area of sale that I wish to address is that of what I would term the forced sale, in which the unscrupulous site owner intimidates and pressurises a resident off the site. The reason for that is clear; as many hon. Members have said, once that home is gone, perhaps a larger home can be placed on that site and profits will follow. My understanding is that some of the problems relate to the Mobile Homes Act 1983, whereby site owners can sometimes claim that an existing home has a detrimental effect on the amenity of the site. That point was raised by Shelter, whose mobile home unit looked into the issue. I therefore urge the Minister to pay careful attention to that aspect of the Act.

Several hon. Members, including my hon. Friends the Members for Waveney (Peter Aldous) and for St Austell and Newquay (Stephen Gilbert), have raised the issue of sales commission on park homes that are sold. I know that many park home owners feel it is inherently unfair

to have to pay 10% of the value of their property on sale. They will argue that the site owner may have contributed nothing to the sale, and in many circumstances the owners of those homes have enhanced them at their own expense, adding to their value.

We should proceed with caution, however, because in order to make a profit a park home operator will look at all the revenue streams that go into the business, of which commission on sales is but one. It is quite conceivable that if that were reduced or removed, pitch fees would be higher, as the consultants Berkeley Hanover suggested in its 2001 report. It suggested that pitch fees might go up by 20% to 32% if commission was removed altogether. It is the case that where commissions have been reduced in the past from 15% to 10% due to legislation, there has been evidence that pitch fees have increased.

The second danger of removing commissions is that it might inflate the price of what at the moment are relatively—I stress, relatively—affordable homes, and that would be a detrimental move. It is very important that we keep the up-front affordability of these homes for individuals who may wish to buy them in the future. Indeed, the Shelter report did not recommend any reduction in the commission rate.

Several hon. Members have spoken about site conditions and licensing. Licensing was introduced under the Caravan Sites and Control of Development Act 1960, which gave local authorities the ability to impose conditions on site licences, and also the power to enforce those conditions. But it did not confer on local authorities any duty to enforce conditions on recalcitrant site owners. Those conditions, on which enforcement action can be taken, would include requirements not only on the spacing of the homes across the site, for example, but on the provision of—sometimes vital—amenities on the site. So it is very important that the Minister looks closely, as I am sure he and his colleagues are doing, at licensing and whether we should make it a duty of local authorities to intervene where there are significant breaches of those licences.

We should also look closely at local authorities' right to refuse or revoke the site owner's licence if there is good cause, as my hon. Friend the Member for Isle of Wight (Mr Turner) said. In those circumstances, if there were a revocation, we would need to ensure that the local authority had a clear strategy for providing the services and ensuring that the site continued to run in a safe, decent and reasonable manner.

I urge the Minister to look at giving local authorities the ability to take emergency remedial action when things do not happen appropriately on a site, and to charge the site owner for any remedial action that is taken. Local authorities could be given the authority to charge for licences to cover some of the costs of them, and, when there are appeals in the system on such matters, they might be handled by the residential property tribunal.

Much has been rightly said in this debate about the fit and proper person qualification, which was a strong recommendation of the park homes working group. There is no doubt that the park homes business is distinctly different from many others. It is not like running a shop or a pub, whereby, if one is rude to customers or runs the business badly, one can expect to see profits diminish and to go out of business. Site owners effectively have captive consumers and people whose lives they can and, as we have heard in many instances this afternoon, do make a misery.

Given how the economics of the business work, we should not be surprised by such abuse. There is a premium to be gained by bullying people and by pushing somebody out of their home inappropriately, because there are profits to be made as a consequence. The whole market has built into it the dynamics for abuse of one form or another.

I know that the Housing Minister is thinking about the issue very carefully, but I urge the Minister before us to consider seriously a fit and proper person qualification. One objection to the approach is that it might be complicated and difficult, but we already apply it to people who own houses in multiple occupation, so some local authorities already have experience in exactly that area.

Some Members, including my hon. Friend the Member for New Forest East (Dr Lewis), have said that residents associations have been quite effective in dealing with difficult situations on park home sites, and I welcome the Mobile Homes Act 1983 (Amendment of Schedule 1) (England) Order 2006, which permits such associations to be set up and, indeed, requires site owners to recognise them, subject to certain conditions, including one whereby more than 50% of residents on a site must become members. The Government would do well to encourage at every turn, with whatever legislative changes they bring in, such residents associations and to give them authority wherever they possibly can.

Annette Brooke: I should like to report on some further good practice by Purbeck district council, which has set up a forum for park home owners, so that they can go and share their issues. That is a very good way of backing up residents associations.

Mel Stride: I thank the hon. Lady for that helpful and informative intervention. I am grateful and pay tribute to Buckingham Orchards Residents Community Association in my constituency, which has done a great deal and fought hard to improve conditions on its site. I shall certainly take the hon. Lady's suggestion of a forum and such activity to that association to see whether it might benefit from that.

Finally, dispute resolution at the moment typically means going through the county courts, and doing so not just at great expense, but often in the face of numerous delays, because unscrupulous site owners are adept at stringing things out and making things difficult at every turn. We have all heard the stories in which site owners fail to turn up, give a reason and there has to be a re-hearing. They just wear people out, which is why I particularly welcome the Government's commitment to a residential property tribunal. However, it is absolutely essential that such a tribunal is quick to deal with grievances, that there is a minimum of delay involved and that it is not expensive to use. On 14 July, in referring to residential property tribunals, the Minister for Housing stated:

> "This will mean that park home residents will be able to take action to resolve disputes with site owners, without being restricted by the prospect of facing large legal costs." [*Official Report*, 14 July 2010; Vol. 513, c. 28WS.]

That is absolutely critical. We are dealing with people who are among the least advantaged in our society and cost must be driven down to give them a route to justice.

[Mel Stride]

We should also toughen up on fines and give the tribunal real teeth. At the moment, a breach of a site licence carries a maximum fine of £2,500. In many cases, that is simply not enough to deter the kind of activity that we have been debating this afternoon. I urge the Minister to consider whether there should be an escalation of fines for repeat offences, because we are aware that some site owners do the same things over and over again. Those people should be penalised more heavily each time around.

Many of the things I have raised and that other hon. Members have touched upon may not be achieved simply through secondary legislation. We may need primary legislation. I hope that the Government and the Minister have the political will to ensure that the time required to push forward these changes is made available. We need to act to remove the last refuge of Rachmanism in this country, because that is what we are dealing with; we need to act to stand up for the vulnerable and the elderly who suffer in the circumstances that I and many others have described; and we need to act for the many self-reliant, proud and decent park home residents, who ask nothing more than that they are treated with fairness, dignity and respect.

Several hon. Members *rose*—

Madam Deputy Speaker: Order. Before I call the remaining speakers, by way of information, I point out that the wind-ups are due to start at around twenty-five to 4. The remaining contributors might want to reflect on how they can ensure that their colleagues get in as well.

3.17 pm

Martin Horwood (Cheltenham) (LD): I will not detain the House long. As many other hon. Members did, I congratulate my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) on tabling the motion. I will happily support it on behalf of my constituents who live at a number of sites in Cheltenham—Sunnyfield lane in Up Hatherley, The Reddings and Harthurstfield park in west Cheltenham. Having named those locations, I emphasise what other hon. Members have said: it is a minority of site owners who are involved in many of these abuses. However, as other hon. Members have also pointed out, the power relationship that exists under the current system between site owner and home owner is so uneven that it almost invites some of these abuses.

Park home living can be a wonderful lifestyle, as it is for many thousands of people. Generally, it involves smaller homes with low maintenance costs that are on the lowest council tax band, on one level and on small plots in parks that engender a strong sense of community. Knocking on doors in the places I have mentioned is certainly a cheerful experience—not least because of some of the wonderfully quirky ornamentation and individual decoration that is often on show.

A leading insurer tells me that the incidence of crime on parks is very low. Such homes have low insurance costs and represent a very safe lifestyle. Affordability and safety are key because, as has been pointed out, many residents are elderly and very few are well off. It is unfortunate that the industry is plagued by a small number of unscrupulous operators who, frankly, make their residents' lives a misery. I shall not repeat the issues of fees, charges and services that many hon. Member have mentioned. Instead, I will highlight again the issue of buying and selling, particularly the approval-of-the-buyer stage, where the park owner meets privately with the prospective buyer. That represents such an obvious conflict of interest that I cannot imagine even the most angelic of site owners not being tempted at times to talk down the value of a park home in order perhaps to make a killing at some stage in the future. It is clear that in many cases the owner, out of desperation, ends up selling back to the site owner, often for a derisory sum, and the site owner then has a vacant plot to develop at a huge profit. At that point they have, in effect, stolen the homeowner's equity, which sometimes represents the homeowner's life savings, so it is a very serious issue.

I very much welcome the Government's intention to transfer jurisdiction to residential property tribunals—a positive step that should address many of the broader issues of fees, charges and so on that crop up from time to time. However, I am not absolutely sure that it will solve the central problem of sales, because often by the time a residential property tribunal process has been completed—evidence has been presented, the tribunal has ruled, and a decision has been communicated—the buyer will be long gone. As one expert professional constituent of mine said:

"I cannot think of a more appropriate sector for there to be some sort of fit and proper person test, some of these owners are merciless."

A fit and proper person test would be a strong supplement to the residential property tribunal policy that the Government are proposing. That is one of the reasons I strongly support the motion.

I should like briefly to mention the parallel issue of owners of mobile holiday homes. The hon. Member for Sittingbourne and Sheppey (Gordon Henderson) has already referred to this, but I have a slightly different concern that has been raised by several constituents of mine who are permanent residents of Cheltenham but own static caravans or mobile homes in Swanage bay in Dorset, which I suspect is near to the constituency of my hon. Friend the Member for Mid Dorset and North Poole. Once again, these owners are not wealthy and are at the mercy of site owners who stand accused of reducing the market price of mobile homes artificially and then buying them themselves with the potential for a tidy profit. Again, we have the issue of fees, with the site owner apparently seeking an increase of nearly 50% in one year, in contravention of existing licences and Office of Fair Trading guidelines.

Margot James (Stourbridge) (Con): I, too, have a constituent who has a pitch in the Swanage Bay View holiday park, which may or may not be the same as the park that the hon. Gentleman is talking about, where pitch fees have been increased by 22.5% over the past 12 months. There is a huge amount of pressure on older residents to sell up, with a lot of very commercial tactics being used to abuse their position.

Martin Horwood: I thank the hon. Lady for that intervention. We are certainly talking about the identical issue, if not the identical park, and once again we are talking about people's life savings being at risk, often vulnerable elderly people. This is an almost entirely

unregulated sector, and unless it is included in Ministers' plans for residential property tribunals, it will remain so. Does the Minister have plans to include mobile holiday homes in any of the moves that he is making to establish residential property tribunals? If he cannot answer me now, perhaps he will write to me with his intentions or the Government's view on that issue.

I am proud to support this motion. Since a minority of site owners apparently cannot be trusted to be fair to often vulnerable and elderly homeowners, it is vitally important for Parliament to step in.

3.24 pm

Dr Sarah Wollaston (Totnes) (Con): This afternoon we have heard from Members tales of fraud, neglect, intimidation and vandalism. For me, this is not a complicated issue. As a doctor, if I committed any of those crimes I would very quickly be declared not a fit and proper doctor and struck off. I call on the Minister to consider seriously the ability to designate people not fit and proper site owners.

It is obvious from attending the all-party group that the same names keep cropping up. It is evident that we are talking about probably fewer than 10 owners who commit these crimes across the country. Many of my constituents have relayed shocking tales of crime and fraud, but are genuinely too intimidated to go to the police.

We have heard excellent suggestions—I will not repeat them—from my hon. Friend the Member for South Swindon (Mr Buckland) and I join in the congratulations for the hon. Member for Mid Dorset and North Poole (Annette Brooke) on initiating this excellent opportunity for debate. I call on the Minister to take action, because we have waited long enough. I hope that he has listened to what all hon. Members have said.

3.25 pm

Chris White (Warwick and Leamington) (Con): Thank you, Madam Deputy Speaker, for trying so hard to decipher my signature so that I could catch your eye. I think that I am the last Back Bencher to speak in this debate, so I add some final congratulations to the hon. Member for Mid Dorset and North Poole (Annette Brooke) on raising this issue, which is so important for many hon. Members.

Like many hon. Members, this issue was first brought to my attention while I was a candidate. It was important to meet the Heathcote Park residents association and its chairman, Mary Hulett. Many park home residents feel unfairly treated and ignored, and are frustrated at the slow pace of reform and regulation. I am sure that Members from all parts of the House will welcome the transfer to the residential property tribunal, which will reduce the cost of resolving disputes and empower residents. I am sure that it will be a positive factor for the sector.

I agree with the notion of fit and proper person criteria for park home site owners, and that there should be regulations that can be used against site owners who interfere with the sale of individual park homes without good reason. However, the problems are far wider than that and much more needs to be done if we are to have a fair and well regulated park homes sector. I believe that the primary way in which the Government can assist is through the creation of a strong licensing regime. I believe that "Park homes site licensing reform: The way forward and next steps" laid out the pathway for that.

We must also tackle the disreputable practices of some site owners. That could be done through capping increases in pitch fees to the retail prices index, or by preventing consecutive increases above RPI. That would prevent site owners from suddenly springing large pitch fee increases on owners, which is particularly important in these difficult economic times.

We could also empower park home owners by allowing them to petition their site owners to agree to a framework for developing a sinking fund for repairs and maintenance. For example, if 75% of park home residents petitioned the site owner, the owner would have 12 months to develop a framework that was acceptable to the majority of residents. If site owners did not comply, an ad hoc tribunal could be set up to force a settlement that was reasonable and fair to all sides. Although some hon. Members may feel that that would be too harsh on site owners, I believe that for too long the law has been weighted on the side of the site owner, rather than that of the resident.

If residents put forward reasonable proposals and there is a degree of consensus, I do not see why a site owner should be able to refuse their requests. Well maintained park homes are in everyone's interests. I appreciate that interventions should take place only when absolutely necessary, but we must not allow site owners carte blanche to do whatever they want. There must be a relationship of trust and co-operation to create sustainable communities. In my constituency, all residents want is a bit of fairness.

More must be done to myth-bust the idea that park home owners should not form residents' associations. It is important that park home residents have a forum in which to air their grievances and to discuss them with their neighbours. Although the vast majority of site owners are happy for that to occur, some are keen to break up such important associations. It is vital that we give residents proper protection, and through the use of petitions and residents' associations I believe we can go some way towards doing that.

I have one final point to make before I conclude. Park home site owners have to do more to name and shame owners who are not operating in a fair manner. The British Holiday and Home Parks Association should, where there is evidence, be willing to publish lists of site operators who are not responsible in their dealings with park home residents, and so warn individuals who are considering purchasing park homes. Ultimately, if incidents involving disreputable site owners continue, it will only further damage the sector. It is in everyone's interest to do what they can.

All hon. Members who have had to deal with constituents' problems with park homes know how distressing they can be. We have to remember that we are talking about something extremely personal—people's homes. Our homes are central to our way of life and our quality of life, and people care a great deal about them, as we can see from the 10,000 signatures that were delivered to Downing street. We have to work towards finding more innovative ways to settle the problem for the benefit of park home residents, and to ensure a sustainable future for the park homes sector in general. I look forward to the Minister's contribution and to seeing how we can move forward accordingly.

3.31 pm

Chris Williamson (Derby North) (Lab): I pay tribute to the hon. Member for Mid Dorset and North Poole (Annette Brooke), who has been an indefatigable champion of park home residents for a number of years. I pay tribute also to Members from both sides of the Chamber who have contributed to a very good and powerful debate. They have highlighted some appalling abuses of the situation in which many park home residents currently find themselves.

I do not presume to match the hon. Lady's expertise on the subject, but I am aware from representations that I have received from park home residents that they feel the current legislation is inadequate. They have told me that it does not go far enough in safeguarding their rights and offers insufficient protection against the small number of unscrupulous site owners who can and do exploit loopholes in the law, as we have heard today.

One of the main complaints of residents is the ballooning pitch fees demanded by site owners, because they say they are powerless to resist unreasonable increases. We have heard from the hon. Member for St Austell and Newquay (Stephen Gilbert) and others about distressing examples of such abuse that they have come across in their constituencies. It seems that the standard agreement drawn up by the National Federation of Site Operators, which is now the British Holiday and Home Parks Association, leaves a lot to be desired.

I am aware that about 20 years ago a survey was commissioned for the then Department of the Environment. Residents were asked whether they were consulted by owners on any increase in pitch fees, as they were supposed to be. Only 3% said that they had been. It seems that, 20 years on, there is still a lot to do. I think that there have been some improvements, but the situation has not improved enough.

Mobile home owners have told me that they have sometimes run into problems when they have wanted to sell their homes. Members have referred to those problems during the debate. Site owners often find ways to block sales from going through. Shelter's mobile homes unit found that some owners served notices to terminate agreements, claiming that the homes involved were

"having a detrimental effect on the amenity of the site."

The hon. Member for Central Devon (Mel Stride) referred to that. Although that move is legitimate in some cases, in others it is not. It has been claimed that it is often used to bully park home residents into selling up at knock-down prices, as the hon. Member for Isle of Wight (Mr Turner), who is no longer in his place, pointed out. The hon. Member for Mid Dorset and North Poole has described that as a massive scandal, and it is certainly a cause for considerable concern for many people. As my hon. Friend the Member for Rhondda (Chris Bryant) and the hon. Member for Waveney (Peter Aldous) pointed out, it is a real problem throughout the length and breadth of the country.

In 2006, the previous Government removed the ability of site owners to attach conditions to their approval of prospective purchasers. Since then, the only factor that they can take into account is the suitability of an incoming resident. However, the Park Home Residents Action Alliance says that site owners can still abuse that test.

There was a proposal to transfer the jurisdiction on appeals and applications from the county courts to the residential property tribunals earlier this year, but Parliament was dissolved for the general election before the necessary approval was given. The Opposition therefore welcome the new Housing and Local Government Minister's intention to introduce the secondary legislation that will transfer jurisdiction to residential property tribunals and urge him to press ahead as soon as possible.

However, it is clear that despite the improvements introduced by the previous Labour Government, more needs to be done to protect the rights of caravan and park home residents. Let me assure the hon. Members for South Derbyshire (Heather Wheeler) and for Gloucester (Richard Graham) – the former is no longer in the Chamber – that there is cross-party support for stronger measures. All official Opposition Members want them, and Opposition Front Benchers are united. We want to work with the Government to ensure that appropriate protection for such vulnerable people is introduced.

Much of the groundwork on identifying what legislative improvements need to be made has already been undertaken. The Department for Communities and Local Government consultation paper, "A new approach for resolving disputes and to proceedings relating to Park Homes under the Mobile Homes Act 1983 (as amended)" was published in May 2008. In May 2009, the previous Government published a further consultation document, "Park Home Site licensing – Improving the Management of Park Home Sites". A further paper, "Park homes site licensing reform: The way forward and next steps" was published on 30 March this year.

As I pointed out, the Opposition want to work constructively with Ministers, as my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) requested. We want to build on the good foundation that we left to secure a thriving and well-run park homes sector that provides sites where people want to live and, indeed, invest. We believe that a licensing system that raises and maintains standards on sites, and one that ensures that sites are safe, well planned and well managed, with appropriate facilities and services, will help to achieve those objectives.

Such a scheme must operate fairly, and it must be proportionate, cost effective and enforceable. An effective scheme must deliver improvements in the management of park home sites where improvements are necessary while continuing to secure a vibrant and healthy sector.

3.37 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure to respond to this Back-Bench debate and to my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) – I always have to get my norths, souths, easts and wests carefully organised when I refer to her constituency. The debate, which featured 14 contributions from Back-Benchers, has been well informed, wide ranging and sometimes passionate – hon. Members have given a real sense of the injustice that some park home residents are forced to suffer – and it has come at a good moment, because as my right hon. Friend the Minister for Housing and Local Government already told the House, he will make a statement on this matter in the new year. I will ensure

that all the contributions and the many and varied suggestions and ideas come to his attention as he works on that.

Rightly, many Members acknowledged the broader context. The sector provides homes for 85,000 families and perhaps as many as 150,000 residents, as my hon. Friend the Member for Gloucester (Richard Graham) said. The very large majority of those residents enjoy peace and quiet, and are happy and satisfied where they are. Many sites are properly managed and maintained by decent, honest and professional site owners who have regard to the welfare and rights of the communities in their parks. It is a pity that their good work is often overshadowed by the unacceptable conduct of a minority, about whom we have heard some telling stories this afternoon. That minority can cause misery to a community in many ways; for example, by not maintaining sites properly, by bullying residents and by interfering unreasonably, or even unlawfully, when residents try to exercise their lawful rights. The House has also heard significant allegations of criminal behaviour and even blackmail. However, I do not want to dwell on the specific allegations, except to say in plain terms that the Government believe that the park homes sector should have no place for these people. I want good site owners to thrive and bad site owners to be taken out of the sector.

It is important to note some of the themes that have come out of today's debate. We have heard the stories and anecdotes, which I do not dismiss, but Members on both sides of the House have also recognised that there has to be a balance between the powers and responsibilities of site owners on one hand, and of home owners on the other. We need to reflect on the fact that every home owner, in becoming a home owner, will have had the opportunity to look at the terms and conditions of the sale and purchase. I hope that we might also reflect on how we can make those terms and conditions more transparent to prospective purchasers, and ensure that once signed they are adhered to by both sides.

We have heard contributions about the degree to which regulation should be light or tough. My hon. Friend the Member for Eastbourne (Stephen Lloyd), who declared himself to be a deregulatory Liberal, has come to the conclusion that we need to toughen up regulation, and that was the message, I think, from hon. Members throughout the House. I will ensure, therefore, that that view is conveyed clearly to my right hon. Friend the Minister for Housing and Local Government.

The Government are committed to targeted reform that does not place unnecessary burdens on site owners, who ought to be allowed to thrive. We will not solve the problem if we drive well-run sites out of business because of an overburden of regulation or control. Our first priority, therefore, is to make it quicker and easier for residents to challenge unreasonable behaviour by site owners who disregard residents' rights. My right hon. Friend announced in July that, under the Mobile Homes Act 1983, jurisdiction in the settlement of most disputes will be transferred to the Residential Property Tribunal Service.

I can assure the House that subject to parliamentary approval we intend those tribunals to become operational from next spring. That has been a priority for park home residents for many years, and I am committed to implementing it as quickly as possible. It will enable residents to resolve disputes much more quickly and easily, and act as a deterrent to unreasonable behaviour. I can also assure hon. Friends that access to the tribunal is normally free, although in some cases there may be a fee of £150. However, legal representation is not necessary, so the cost is much less than for court proceedings. That is a major step forward. It will give residents quicker and easier access to justice, provide an opportunity for rapidly resolving disputes and deter unreasonable behaviour.

Andrew Miller: That is a sensible proposition, but I ask the Minister to reflect on the history of other tribunals that started in a well-meaning way but gradually became more and more bureaucratic and legalistic. As time passes, there will be the risk – starting perhaps with the site owners – that more lawyers will enter the process, so we will need to reconsider the situation after a year or so of running the tribunals to ensure that we have got the balance right.

Andrew Stunell: The hon. Gentleman makes an important and interesting point, but if I may say so, perhaps we should focus on introducing tribunals before we start to evaluate them.

The aim is to improve site management and deter bad practices. That will benefit not only residents, but the industry as a whole. It does the sector no good at all to develop a reputation for bad behaviour. As they pursue their work, the tribunals will provide evidence in an open and transparent way – through a body of cases, involving case law and decision making – which will benchmark good behaviour and identify unacceptable behaviour, thereby playing a standard-setting role.

The motion calls on the Government to review the case for establishing a "fit and proper" licensing system. There is certainly no role in the sector for unscrupulous and criminal operators, but they are a minority. That brings us back to the balance between regulation and the burden of implementation. The Government's general approach is to reduce top-down regulation and minimise the involvement of central Government in local decision making. However, we are committed to protecting the most vulnerable, and I know that some park home residents are among the most vulnerable members of society, as has been well pointed out in this debate. We are not convinced that the protection of park home residents from the minority of unscrupulous site owners requires a complex and costly national licensing system, which would apply across the sector and place burdens on all site owners, good and bad, with that cost ultimately being passed on to residents too. We have to strike a careful balance – one that protects the vulnerable, targets the worst and minimises the regulatory burdens on the law-abiding majority.

On the blocking of sales, I have every sympathy with residents who are unreasonably thwarted when trying to exercise their lawful right to sell their homes. I know that those concerns are shared by my right hon. Friend the Minister of State. The park home justice campaign is to be commended for bringing this important matter to the forefront. Ministers are now well alert – if we were not before – to what the issues are. However, we need to look at what the remedy is. The premise is that unscrupulous site owners might be less likely to make false representations or deter potential buyers if an interview with a prospective purchaser took place in front of a solicitor. However, it is a little hard to see

[Andrew Stunell]

exactly how that would work or who would appoint the solicitor, let alone who would pay for him or her. There is no reason to believe that an unscrupulous owner is likely to be any less dishonest because there is a witness present.

There is also a wider question about whether interviews are required at all, because there is certainly no statutory or legislative reason for them. The Mobile Homes Act 1983 permits the site owner to approve the purchaser, but that could be done in a number of ways, not necessarily through an interview process; for example, by providing relevant documents. If there is no legal requirement for an interview, it would be burdensome to introduce a formal regulatory process for conducting one. However, that is not to say that we believe it acceptable simply to let unreasonable behaviour be tolerated. We see improving access to justice through the residential property tribunal as the first step towards ending abuses in such cases. My right hon. Friend the Minister of State is only too aware of the problems, and he intends to announce in the new year a package of measures that will curb the excesses of the minority of unscrupulous owners, while not placing undue burdens on the majority who manage their sites effectively and in the best interests of the community.

Martin Horwood: In my remarks I talked not only about sites for permanent homes, but about holiday sites, where often there is also a lot of evidence of abuse. Will my hon. Friend's measures and his right hon. Friend's considerations include those sites as well?

Andrew Stunell: I will certainly take that request away, and we will certainly consider it. It is worth reminding the House that where mobile homes are used for full-time residential purposes, they have a number of tax and regulatory advantages, as compared with what we might call "normal" homes. That is because of their status as residential homes of a particular type. Holiday homes are in a different category, and have all sorts of other regulatory frameworks relating to them. However, I will ensure that that point is taken into consideration.

This has been an important and timely debate. It has certainly highlighted important areas of concern to Members, and it is a tribute to the new Back-Bench debating system that it has come before the House today. It has been helpful to me and my ministerial colleagues and I hope that, when the announcement is made in the spring, hon. Members will feel that their contribution to the debate today has had an influence on the way in which the Government are approaching the problem.

3.50 pm

Annette Brooke: I shall make a brief concluding statement. I should like to thank all the Members who helped to secure the debate, because we had to convince people that we would have enough speakers today. I have been having sleepless nights about it, and I thank everyone for turning up today, especially at this time on this Thursday afternoon. I welcome the cross-party support for the motion; it is absolutely vital and it makes me feel positive that we can move forward. I hope that it will also make the campaigners feel positive. We have talked about our proud and dignified home owners, and about the fact that park homes are homes, not just chattels. That is incredibly important. Those people deserve better; the words "the forgotten lost" summed up what we have been debating this afternoon.

I am all too aware that we need a sustainable, flourishing industry, but it cannot flourish or achieve its full potential for providing this much-needed housing unless we have a way of addressing the many issues that we have been talking about today. Speed and transparency have been referred to, and they are both important, because time is running out. I welcome the first step of establishing the residential property tribunals, but I want to see concurrent planning for the next stage, because it is clear that we need more.

I wavered as I listened to the Minister's response. First, I thought, "Oh, that's good", then I thought, "Oh, that's not so good." It is a pity that we could not have delivered a Christmas present to our park home campaigners today, and that they will have to wait until the new year for the Minister's statement. I trust that they will not have to wait until the spring, and that the statement will be made early in the new year, because we need a response to these long-term problems that have now been raised so many times in the House. I accept that we need to strike the right balance, but that is no excuse for doing nothing. We must have action!

Question put and agreed to.

Resolved,

That this House notes that there are approximately 1,800 park home sites in England and Wales; further notes that current legislation permits a minority of park home site owners to cause great distress, damage to property and danger to health of park home residents; welcomes the Government's intention to lay before the House secondary legislation to transfer jurisdiction for park homes to the Residential Property Tribunal Service; but calls on the Government to review the case for establishing a fit and proper person criterion for park home site owners and to bring forward relevant legislation at the earliest opportunity to prevent in particular park home site owners interfering with the sale of a park home without good reason.

Public Accounts Committee

[Relevant documents: The 40th, 44th, 46th, 49th and 51st to 53rd Reports from the Committee of Public Accounts, Session 2008-09, the 1st to 33rd Reports from the Committee, Session 2009-10, and the 1st to 10th Reports from the Committee, Session 2010-11.]

3.53 pm

Margaret Hodge (Barking) (Lab): I beg to move,

That this House calls on the Government to ensure that all recommendations contained in Reports of the Committee of Public Accounts and accepted by Government Departments are implemented and that the relevant Minister makes a statement to the House on any recommendations accepted but not implemented within a year of their acceptance.

Over the past nine years, this debate has been ably led by my predecessor, the hon. Member for Gainsborough (Mr Leigh), to whom I would like to pay tribute. His tireless contribution to improving public services and delivering value for money has been acknowledged and recognised by hon. Members across the House.

The very first Public Accounts Committee debate was held on 19 December 1960. The then Chair, one Harold Wilson, began his speech by saying

"in my view, the confrontation in this debate is not between Government and Opposition but between the House of Commons, with its traditional responsibility for controlling the public purse on the one hand and the Government on the other." [*Official Report*, 19 December 1960; Vol. 632, c. 894.]

Those are words that should continue to guide us today. The PAC has never been, and should never be, a creature of either the Government or the Opposition Front Bench. We are a creature of Parliament, working together for the benefit of the citizen, holding the Executive to account and constantly seeking improvements in the value that the Executive give for the money that they spend.

As well as reflecting that long and proud tradition, today's debate reflects important changes that we have collectively made to strengthen the role of Parliament. For one thing, I am the first Committee Chair to be elected to the post, as well as being the first woman in the job. It is also the first time that my fellow Committee members have been elected to their positions. I think we would all agree that that additional democratic legitimacy increases both the responsibility and the authority with which we carry out our duties.

The PAC has made changes to our standing orders. As well as allowing us to meet even when the House is not sitting—on Christmas day if need be, as we are often reminded by the hon. Member for South Norfolk (Mr Bacon)—it will make it easier for us to gain access to specialist advice from sources other than the National Audit Office should we need to do so. Furthermore, this is the first occasion on which we have had to bid for our slot from the Backbench Business Committee. That, too, strengthens our accountability to our colleagues.

The motion before us today is different from those of the last 50 years. Rather than simply calling on the House to note our reports, it specifies the changes that we want to see in the way in which the Government respond to our recommendations. That is definitely progress.

The final reason why today's debate is particularly important is the context in which it is taking place. The new Government, for good or ill, have embarked on major changes. The spending review marks the first wholesale fiscal retrenchment for 20 years, and by some measures the greatest such retrenchment for several generations. Other reforms, in the national health service and the benefits system, are similarly ambitious. The Government want to achieve more for less. They want to achieve value for money, and the people of the country want the same. They want real value for money, real efficiency and real cost-effectiveness, so that the financial cuts have as little detrimental effect as possible on front-line services.

We are still in the very early stages of implementation of the spending review, and the question of whether or not the changes will prove to be value for money is still up for grabs, but there is no doubt that the work of the PAC is hugely important at this time. I firmly believe that if our recommendations are heeded, value for money will improve and the delivery of services will get better. Therefore, I strongly urge the Treasury to give diligent consideration to our reports, and then, after not too much consideration, to ensure that concrete action is taken. I can assure the Treasury that we will monitor implementation much more closely than may have been the case in the past.

I thank all those who help to make the work of our Committee effective. It is no mean feat to question senior civil servants from two different Departments every week—three this week—especially given that our hearings range over every conceivable aspect of public service. As might be expected, that does not happen by itself. I pay tribute to all my hard-working fellow Committee members, who turn up to hearing after hearing impeccably well informed and full of incisive questions. I thank the people who ensure that each hearing runs smoothly: the Clerk and his team of hard-working assistants, and the Comptroller and Auditor General and his staff at the National Audit Office. We are able to perform our role only because of the high quality of work carried out by the Comptroller and Auditor General and his staff.

I want to make three observations about the motion. First, Departments have achieved some notable successes, which we applaud. However—this is my second point—value for money is still too patchy. The same issues arise time and time again. Thirdly, in the past, Governments have too often been too slow to act on some of our recommendations. We will be much less tolerant of that inaction in the future.

The PAC has a reputation for tearing senior civil servants to shreds. Its members have been seen as "glass half empty" rather than "glass half full" people. We have been depicted as the hunters, and the poor accounting officers as beleaguered victims. Actually, the Committee has always tried to give credit where it is due, but the fact is that the amount of waste and poor value for money that it must consider has often been overwhelming. We are redoubling our efforts in this regard, however. It is important that success is celebrated, not just because that is fair, but because it is rare that success in one Department does not produce lessons from which the rest of Government can learn.

Two reports that we have considered in the last six months stand out, both from the Department for Education, which is therefore accorded star pupil status, at least on a provisional basis. The first was the welcome success in raising standards in the academy schools

[Margaret Hodge]

programme launched by the previous Government for struggling schools working in challenging circumstances in deprived areas. The second was the success of the programme to increase the take-up of science subjects right the way through the education and training systems.

Regrettably however, more often than not we have to consider failures rather than successes. Despite all the years of recommendations from us, the National Audit Office and others, and despite much good will and many good intentions on the part of Ministers and civil servants, we still find lots to concern us. Everyone pays lip service to the need for value for money, but genuine and detailed consideration of value for money across Government is still far too patchy.

One of the first evidence sessions we held was on the last Government's attempts to realise value-for-money savings targets set as part of the last spending review in 2007. I was a member of that Government, and let me say that I believe those attempts were serious and sincere. Nevertheless, I must admit that I was shocked by the results. Halfway through the programme, Departments had reported only just over a third (30%) of the savings required, and only a third of them were genuine, sustainable savings.

Faced with the much more challenging task set by this spending review, what needs to change? I want to highlight two issues. First is the Government's inability to deliver projects to time and within budget. For example, let us consider two of the hearings we have had this week. The Ministry of Defence is renowned for always delivering late and invariably overspending, but yesterday's session, with the evidence we had before us, was truly shocking. Committing to the aircraft carrier project only to delay it eight months later at an extra cost to the taxpayer of at least £1.56 billion is truly shocking. While that did happen on Labour's watch, I am strongly of the view that the permanent secretary at the time should not have allowed the signing of the contract, which so quickly led to such a terrible waste of money. On the Typhoons, taking £1 billion out of the budget when the MOD knew we had a contractual commitment to a third phase of the contract, leading to us having to put in £2.7 billion now to pay for a further 16 aircraft that we do not need, is completely scandalous.

Today's evidence session on the project to widen the M25 left us all flabbergasted. Never mind the nine years it took from concept to contract or the £650 million extra because the contract was signed during the credit crunch, and never mind the £80 million spent on consultants, one of whom went on to employ the senior responsible official; the real point is that we probably should never have undertaken to widen the road in the first place. We should instead have used the hard shoulder, which would have been cheaper and almost as effective.

The second issue I want to highlight is that, time and again, we identified the lack of good and appropriate data, which leads to poor value-for-money decisions and bad choices. Whether through the evaluation of the pathways to work scheme, which measured effectiveness by including all those who asked to go on to incapacity benefit rather than those who were eligible for it, or through the failure of the Department of Health to give primary care trusts the data telling them what works in helping people to stop smoking so that they stopped wasting money on ineffective programmes, the lack of appropriate data too often results in money being wasted.

I cannot leave this subject without mentioning the Government's recent publication of large amounts of new data on public spending. It is inconceivable that somebody in my position would do anything other than welcome this move towards greater transparency, but I must also sound a word of caution. I must be frank and say that it seems that the problem has never been the amount of data, because an almost infinite amount has always been available; the problem has been how useful the data are, where the gaps are and how well the data have been analysed. To be useful to decision makers in government, as well as to parliamentarians, the National Audit Office and the ordinary citizen, the data must be presented in a way that allows them to be understood and used. I hope that the Minister can give us some comfort that the publication of hundreds of thousands of receipts through the Combined Online Information System (COINS) database is not being done at the expense of the analytical capabilities of Departments.

To date, the Committee has focused on the actions of the previous Administration, which is entirely to be expected because the nature of audit and accountability is to be backward-facing. In time, we will consider the actions of the coalition Government and, as a cross-party Committee that jealously guards its reputation for objectivity, we shall do so impartially. I say clearly to the House that the problems we have identified will not go away simply because of a change of Administration. On the contrary, dealing with them will require concerted action, a willingness to confront age-old ways of doing things and a commitment to improve the skills of civil servants and to get better evidence with which to take decisions.

There seems to be an inbuilt resistance to change in the huge tanker that constitutes the Government machine. Why are projects so often late? Why are we invariably looking at cost overruns, rather than savings? Why can the civil service not build in-house capability to provide effective management and delivery, as well as sound advice? Why is there no culture of proper personal accountability in government at senior levels? Why can Departments not co-operate better and compete less? Why can government not learn from its mistakes?

This is not about political will; it is about institutional inertia and institutional resistance to change. All politicians want better value, enhanced efficiency and improved effectiveness. All politicians, of all allegiances, get blamed when they fail in that regard, yet the ability to succeed in securing those things seems all too often to elude us. That is partly because of the conservative aversion to risk among public sector workers and partly because nobody stays in their job long enough to see things through and be truly accountable. It is also partly because we do not recruit the right people with the right skills and partly because political expediency too often overrides economic efficiency – that is true of all parties.

That brings me to my final observation, which is the one that forms the backbone of today's motion: the degree to which the Government act on the Committee's recommendations. It is inevitable I would say this, but it is my sincere belief that the process of improving value for money in the public sector would be made easier if the Government made more effort to implement our

recommendations. All too often, too little effort has been made. Indeed, all too often our recommendations have just been quietly ignored.

Let us consider the example of the Government use of consultants. The PAC examined that issue in 2002 and 2006, recommending on both occasions that the then Government do more to grow the skills that they need within the civil service, rather than paying out money to costly consultants. What did we find when we looked at the issue again just a few weeks ago? We found that the proportion of spend on IT and project management grew from 50 to 60% between 2006 and 2010. One of the most staggering revelations was that the Department for Transport's spend on consultants came to the equivalent of 70% of its expenditure on in-house staff.

There are plenty of other such examples, which is why we are going to get tougher on following up recommendations. When they are not accepted by Departments, we will want to know why. When they are accepted, we will expect them to be implemented. Hence our call that the Minister responsible should make a statement to the House about any recommendation he or she has accepted but failed to implement within a year.

Today marks the publication of the first two Treasury minutes on hearings that we have had in this Session, another reason why the timing of the debate is so good. We obviously need time to study the detailed content of the documents, but they represent a relatively good start. In the response to our report on the future strategic tanker aircraft, I particularly welcome the commitment to fit these planes with a defensive aid package so that at least they can deliver troops to the war zones, as was originally intended. I also welcome the wider commitment from the MOD to work with the Treasury on renewing its guidance about where and when to use the private finance initiative. I must say, however, that is it dismaying to see how the Department is still determined to justify the decision to use PFI on that project. In my view, that is nothing less than an attempt to defend the indefensible.

On pathways to work, the response we have seen is similarly mixed. It is good to see that the Department is seeking to put proper incentives into the new Work programme so that contractors will not get paid unless they deliver. I welcome the commitment to allocate cases to private companies on a random basis in the future so that they cannot cherry-pick the easiest ones. Moreover, the results of Professor Harrington's review of the new work capability assessment shows that it is more than just our Committee that has concerns about it, and I look forward to the Department's response. I dislike the assumption that outsourcing these duties to the private sector is definitely the value-for-money thing to do. After all, our report found that Jobcentre Plus, almost without exception, did better than private contractors, even though they were given a smaller caseload in easier parts of the country.

I want to draw the House's attention to one important aspect of our work over the coming months. Our work will be dominated by the implementation of the spending review. We have already held sessions with experts outside Government, and we have taken evidence from senior civil servants to understand the new framework of accountability and the role and purpose of the business plans and we will develop our own framework for ensuring proper value for money in the cuts and changes Departments make. We will rigorously hold the Government to account, but in doing so we want to assure the House that our purpose is one we share across the Benches. We want to help eke out best value for every penny spent on behalf of the citizens of the country and we want to contribute to the improvement of public services in coming years. All we ask is for serious engagement from Ministers, accounting officers and their staff across government and for the Treasury's assistance in making that happen.

Several hon. Members *rose*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Eight people are trying to catch my eye and I shall be calling the Front-Bench speakers at about half-past 5, if people can bear that in mind.

4.12 pm

Mr Richard Bacon (South Norfolk) (Con): It is a great pleasure to follow the right hon. Member for Barking (Margaret Hodge), the new elected Chair of our Committee. I congratulate her on the way in which she has fulfilled and is fulfilling her office. It is a great pleasure to serve under her leadership. Her predecessor was something of a stern headmaster, and although her style is slightly less stentorian—I looked up Stentor, and he was a Greek herald with a booming voice and it is hard to think of anyone in this House with a more booming voice than my hon. Friend the Member for Gainsborough (Mr Leigh)—she has already shown that she is no soft touch. She has shown her teeth on a number of occasions and she chairs the Committee with great aplomb. You might expect me to say that, Mr Deputy Speaker, but ask yourself which Conservative is likely to be able to resist serving under a strong woman whose first name is Margaret.

I want to say how much of a pleasure it is to have so much new blood on the Committee. It was a bit of a shock for me and the hon. Member for Great Grimsby (Austin Mitchell) to realise that we were the only members of the Committee who had served in the last Parliament and there is a great cast of new active keen members who are working very hard and contributing their new and varied experience.

Let me start by endorsing something that the Chair of the Committee just said. The problems will not go away because there has been a change in Administration. I have been looking at the problems that Government face through the lens of the Public Accounts Committee for the past nine years—I have been wrestling with these problems—and it staggers me that the problems are so generic and are repeated so much. In my relatively brief speech, I want to focus on a number of different reports and then on one issue in detail.

I shall look first at some reports that show structural improvements in the way that we are working with the National Audit Office and secondly at some that show welcome improvement in a particular area—financial management. I shall look thirdly at some reports that show the areas where there are still serious issues, one of which would be almost hilariously bad if it were not so serious because it involves public money, and fourthly at a couple of reports that are particularly important to how we might work in future. Finally, I shall look at one report in detail.

[Mr Richard Bacon]

The first three reports I want to discuss signal something quite important. They are the 52nd report of 2008-09 on reducing health care associated infection and the 26th and 19th reports of 2009-10 on improving stroke care and improving dementia services respectively. The 52nd report was the third time since 2000 that the Committee looked at hospital-acquired infections and there has clearly been significant change in that time. The Committee considered it first in 2000 and again in 2004, when there had quite shockingly been a dramatic decline. The NAO published its report in 2004 and we took evidence on it later, and that catapulted hospital-acquired infection up the agenda. Everyone will remember what a strong issue it became during the 2005 general election and it has been an important one ever since. It continues to be important for hospitals, but it will remain so only if they know that they are under scrutiny. That is why I was so pleased that we took evidence on it again in 2009. The report shows that there has been significant progress, particularly regarding the two infections that are the subject of national targets—MRSA and clostridium difficile—but that there have not been those measurable reductions in other avoidable infections that were not targeted. Clearly, progress is made in areas we scrutinise, but more needs to be done.

By returning briefly to an issue, as we did in our 26th report on stroke, we were able to demonstrate that there had been considerable improvement. Our report stated:

"We welcome the demonstrable improvements in stroke care which the Department of Health...has achieved since our first report".

but noted that there are still further steps to take. I firmly believe that the Committee should, as a matter of routine, return to issues much more regularly. We also did that with our interim report on dementia, which showed that although the then Government said that dementia would be a national priority, they did not walk their talk in the way that they did with cancer and coronary heart disease.

The financial management reports that caught my eye are the 46th report of 2008-09 on financial management in the Home Office and the third report of 2009-10 on financial management in the Foreign and Commonwealth Office. Let us remember that almost the first act of Sir David Normington on becoming the permanent secretary at the Home Office a few years ago was to sign an unaudited and unauditable set of accounts merely so that they could be presented to Parliament. As we said at the time, that was a very unenviable position to be in and it certainly was not his fault. Our report shows that there has been considerable improvement in financial management at the Home Office and that it needs to sustain that momentum by incorporating strong financial management as standard across its business. We have identified areas in which further progress is needed, but we should stop to note the considerable improvement since the chaos of a few years ago.

Similarly, with the FCO, it was a delight to see the permanent secretary turn up with two chartered accountants and to be able to say in our report:

"The Committee is pleased to note that the Department has acted upon previous recommendations".

That is relevant to what the Chair of the Committee said a moment ago, and I wish that more Departments would do the same. In contrast, however, our 25th report of 2009-10 on the FCO's estate management showed that it has a lot further to go in that area. We commented that its

"new Estates Director currently does not have the information he needs to do his job."

The lack of correct information in Government Departments is a theme that we constantly come across and the NAO has rightly focused a suite of its work specifically on estate management because the Government are such a big property owner. There is still a great deal more to do in that area to improve the quality of management within Government. It is not common to find qualified chartered surveyors and qualified chartered quantity surveyors in charge of a Department's estates in the way that we would expect, and are now getting, with financial managers in relation to financial management in Departments. That is something that the Government should focus on.

I turn to less successful areas, notably the private finance initiative project to deliver the multi-role tanker—the future strategic tanker aircraft—which should never have been set up in that form. Paragraph 1 of our report states:

"The use of PFI to deliver a vital military capability like FSTA was inappropriate."

It is rather depressing that after years of identifying projects where the use of PFI was inappropriate, and saying that certain types of project should never be subject to PFI—for example, the Libra project to supply computer systems for magistrates courts—it is still being used in situations in which it is wholly unsuitable. I was looking at the questions put by our Edinburgh colleague, the right hon. Member for Stirling (Mrs McGuire). At question 187, she asked the permanent secretary whether, notwithstanding the pressure he was under, there was any justification for the fact that when the Ministry of Defence

"went into a project, that they did not know what it looked like, would sound like, would turn out like, had no indication of the costs of the subcontractors."

The permanent secretary replied:

"I am certainly not arguing in favour of the approach that was taken...All I am trying to do is to offer a little bit of mitigation for that failure by reference to the operating conditions at the time."

I think what Sir Bill probably meant by

"operating conditions at the time"

was the previous Prime Minister, who when he was Chancellor of the Exchequer said that we would do it under PFI, or it would not happen. We need to be slightly more honest with ourselves about what is and is not appropriate, and to have more open debate about it. The project was scandalously managed and cost much more than it should. It has taken much longer than it should, and it was inappropriate in the first place.

The Chair referred to the aircraft carrier project, which is similar. We looked at that only this week with the new permanent secretary at the Ministry of Defence, as we did at the beginning of the year in our 2009 major projects report. What staggers me is that only seven months after signing the contract, the MOD took a decision that would increase the costs, not because of project management failure or management ineptitude—it was purely a decision to delay. Decisions were taken

that increased the cost by £908 million or so they thought when we reported on the matter in our 23rd report, in the 2009-10 Session, HC 338. It turns out that the figure was not £908 million; it was £650 million more than that. It was £1.5 billion extra, on top of the original cost, purely because of the decision to delay. I agree completely with our Chair. The permanent secretary at the time should have said, "Affordability is such an important component that if you want me to do it, you should require me to do it by issuing a direction." I am sorry that was not done.

Our report on the National Offender Management Service highlighted a significant issue relating to the management of the civil service and the way that civil servants are placed on projects. Our recommendation 5 notes that

"the Senior Responsible Owner did not have the right experience for the role."

Who put that person in that job, when she did not have the right project management experience? If we set people up to fail, we cannot be surprised if that is exactly what happens.

I should like to refer to several other reports, but I shall concentrate on the report on the Rural Payments Agency, which illustrates some deep issues in the relationship between Ministers and civil servants that are as important for the future as they were in the past. I shall remind the House of the facts in the RPA debacle. It involved the single payment system. Various methods were available, but the Government chose to implement the most complicated system on offer with the shortest available timetable. That process was certain to increase both the total number of claimants and the total land area claimed, while the agency had not properly completed the essential digital mapping exercise—refusing to recognise that it was flawed—and was using a computer system that had not been fully tested, and which was anyway not up to the job. It used an approach that split the work into separate tasks performed in different parts of the country, which made it impossible to track the progress of individual claims. It cancelled the parts of the system that would have provided management with information about what was going on and scrapped the contingency plan that would have at least enabled the agency to make part-payments. Furthermore, the RPA sacked its most experienced staff and replaced them with unskilled temporary agency workers who were required to work unsocial hours on the minimum wage. One is tempted to ask, what could possibly have gone wrong? But the fact is that, as we all know, it did go wrong.

To say that the single payment scheme was convoluted was an understatement. Indeed, Dr James Jones of the Royal Agricultural College in Cirencester told our sister Committee, the Environment, Food and Rural Affairs Committee:

"This has been highly confusing conceptually even at the highest levels of those responsible for creating the scheme rules at EU, Member State and regional level; most of the difficulties experienced in implementing the Single Payment Scheme stem back to internal contradictions that arise because

(a) entitlement is based on past occupation of specific parcels of agricultural land but is then not linked to that land;

(b) payment is related to occupation of 'agricultural land' but does not require agricultural production; and

(c) most of the cross-compliance and other conditions relate to production but the Single Payment was not a production-based subsidy."

And that was just for starters. One still had to decide which of the three possible years one would start the scheme in, whether to incorporate funding for the dairy sector into the scheme, and the crucial question of the method that would be used to calculate payments. That offered possibilities of quite byzantine complexity.

The main choice was whether to use as a reference point the payments that individual farmers had received in the past under the old common agricultural policy schemes—known as the historic approach—or whether to average out all payments among farmers in a state or region, which was known as the flat-rate approach. Member states could also apply a mixed model under which they were allowed to apply different calculations in different parts of their territory. It was this that enabled the Administrations in Scotland, Wales and Northern Ireland to use a different system from that used in England.

But there was a further twist within the mixed model. Even within one region of its territory, such as England, a member state could calculate single payments using a part-historic and part-flat rate approach. Under such a "hybrid" system, payments would be calculated partially by taking the available money within a region and splitting it among farmers on the basis of a flat-rate entitlement, and partially by taking account of the old subsidy that a farmer had received historically under the common agricultural policy schemes.

That was not all. Member states could choose a hybrid scheme and leave it at that, which was known as a static hybrid, but if they wished, member states could choose a hybrid scheme and then vary it as time went on, so that over the years the proportion based on the historic subsidy payment declined and the proportion based on the flat rate increased. This was known as a dynamic hybrid.

The permanent secretary of the Department for Environment, Food and Rural Affairs, Dame Helen Ghosh, made it very clear that this was not the Schleswig-Holstein question. Members may recall that that was the question of which Lord Palmerston, a former Prime Minister, said that there were only three people who ever understood it: one of them died, one of them went mad and one of them forgot what the question was. But it was undoubtedly byzantine in its complexity. It prompts the question, what did DEFRA and the Rural Payments Agency actually think about all this? Well, funnily enough, it was very clear what they thought about it.

According to evidence from George Dunn, the chief executive of the Tenant Farmers Association, which he gave to the EFRA Committee, Bill Duncan, who was head of the central scheme management unit at the Rural Payments Agency, said that if the RPA were to choose something other than a simple historic or a simple regional average system it would be a "nightmare" to administer. That is what the senior Rural Payments Agency official thought. David Hunter, who was the director of European Union and international policy in DEFRA, said it would be "madness." That is what the senior DEFRA official thought.

Yet Dame Helen Ghosh, the permanent secretary of DEFRA, giving evidence to our Committee, in answer to a question from David Curry, then a Member of the House and a member of the PAC, and of course a former Agriculture Minister, told our Committee:

"Ministers were being told it was possible when it was not in fact possible."

[Mr Richard Bacon]

The full quote is as follows, and I think it is quite illuminating:

"The capacity of the organisation to advise ministers—and I think we put them right—and indeed the connection between the policy and operations in the Department"

I think she actually meant the lack of a proper connection between the policy and the operations—

"meant that ministers were being told it was possible when it was not in fact possible."

The quote continues:

"The point I am making is that had ministers at the time been told it was effectively impossible—and I think it is very difficult to discuss counter-factuals—they may have made a different decision, had they known the difficulty".

In other words, the senior official in the RPA with specific responsibility for the management of the scheme, Bill Duncan, thought the route that they were choosing would be a "nightmare" to administer; the senior DEFRA official with direct management responsibility for the oversight of the scheme, David Hunter, thought the route that they were choosing would be madness; but Ministers were being told that it was quite deliverable. As Dame Helen said,

"ministers were being told that it was possible when it was not in fact possible."

Why? It is the job of the neutral civil service to ensure that Ministers are in full possession of all relevant facts before making a decision, so we could blame the civil service for that debacle.

On the other hand, and in actuality, the Minister at the time was absolutely determined to go down a dynamic hybrid route come what may, so we could blame the Minister, and perhaps we should. The Minister should have been told, however, "It cannot be done." He should also have been told, "If you want me to do this, Minister, you are going to have to issue a direction to me to do it, because it cannot be done in a way that is economic, effective and efficient." Why did they do it? In the end, they did it because Ministers told them to, and they were not prepared to stand up to Ministers in the interest of taxpayers, as they should have.

What is the lesson? It is quite rightly true that civil servants respond to what they believe to be a Minister's priorities, but it is also essential for Ministers to be aware of the consequences of their decisions, and for civil servants to stand up to them and to make sure that they are aware of those consequences. I should like to think that the best civil servants do that, but I fear that it does not happen now as much as it did a generation ago. I am not making a party political point, however, because that was a criticism in the 1980s under the Thatcher Governments and subsequently; it has been a criticism of the previous Administration; and, for all I know, it will become a criticism of the current Administration. It is absolutely essential, however, for Ministers and their advisers to understand the consequences of what they do and the impact of those decisions on large-scale—often world-scale—organisations.

The right hon. Member for Greenwich and Woolwich (Mr Raynsford), in evidence to the Public Administration Committee, made the point very clearly, stating that

"there has to be an understanding on the part of the politician about the impact of political decisions on the ability to manage organisations. I am critical of a failing of some of the leaders of this Government and previous governments who have believed that essentially political decisions could be taken without a proper appraisal of the impact on the running of a department."

4.32 pm

Mrs Anne McGuire (Stirling) (Lab): I, too, pay tribute to my right hon. Friend the Member for Barking (Margaret Hodge). She is the first woman—indeed, the first elected—Chair of the Public Accounts Committee, and that is a unique combination. She is also one of the bravest politicians in the House, and anybody who has seen the magnificent election battle that she undertook in her constituency against the British National party may well understand why permanent secretaries might be worried about appearing before her at the Committee.

It is also a pleasure to follow the hon. Member for South Norfolk (Mr Bacon), but he needs to remind me to give him a lecture on Scottish geography. He always tells me that he knows a bit about Scotland, but I must tell him that, although Edinburgh and Stirling have castles, Stirling has by far the best, and it, as opposed to Edinburgh, has me as its MP. I forgive him, however, because I admire the skill and tenacity that he brings to the Committee, and he is a role model for us all.

I am not a new Member, but as someone who has been here since 1957—*[Interruption.]* It sometimes feels like that. As someone who has been here since 1997, I am asked by some colleagues, "Why do you want to go on to the PAC?" The Committee has an image deficit, and, although in various analyses of our work we are called the "queen of Committees", we are still a bit of a mystery to the majority of our colleagues. Indeed, today's attendance shows that we will remain a mystery for another few months at least.

On the PAC, one walks in the footsteps of history. I learned more about William Ewart Gladstone in my first few weeks on the Committee than I ever did taking an honours degree in history at Glasgow university, and all sorts of historical anecdotes add to, if not the glamour, then the attraction of being a member. My right hon. Friend the Member for Barking mentioned Harold Wilson. One of the anecdotes that delights me most was the fact that, when he was shadow Chancellor, he decided that he also wanted to be Chair—he would have been a Chairman in those days, of course—of the Public Accounts Committee. In some ways, that was breaking new ground. Such a decision tuned in with Harold Wilson's desire to consolidate his portfolio, so that he could ensure he was in control of all the strategic decisions that had to be made within the Labour party at that time. Ben Pimlott, his biographer, states that such a decision also had a practical benefit because, at a time when accommodation at the Palace of Westminster was not available for senior Opposition Front Benchers, the PAC Chairman was provided with his own room—a citadel of great importance in Westminster's psychological battleground. My right hon. Friend has maintained the image of that citadel in the Upper Committee corridor.

Of course, the Committee does not consider the formulation or the merits of policy; it focuses very much on value-for-money criteria that are based on economy, efficiency and effectiveness, as the hon. Member for South Norfolk mentioned. Those are the three by-words that should determine how we judge the reports that come before us. In many respects, such an approach is almost counter-intuitive for politicians because we spend

most of our time discussing and developing policy. However, as at least one previous Labour Prime Minister has commented, it is no use throwing money at something unless it guarantees the delivery of the objectives. I fully understood that cry of frustration in relation to one report we considered in the Committee. I shall come on to that in a moment.

We have gelled reasonably well as a Committee. There is a mixture of people who have longevity in the House, people who have longevity in membership of the Committee and people who have more recently joined this place. We bring to the Committee a range of external work experience, which allows us to question things in a way rooted in some sort of credibility in managing finances. As a Committee, we have a breadth of experience that allows us to challenge even the most eloquent of the accounting officers who appear before us. Although the subject is sometimes considered to be rather dry, we have developed a passion for our discussions with witnesses. Certainly, anyone present at our sittings this week would have noted that both energy and passion are in abundance in Room 15—anyone who follows our deliberations will have that confirmed.

In my brief contribution, I want to highlight three things that I have drawn from my short experience as a Committee member. The first relates to the lessons that we can learn from discussions on the reports and the Committee's conclusions. Some of these issues have been the subject of previous debates—indeed, I think the hon. Member for South Norfolk has probably raised them—but they do need repeating. There is still a concern, which I hope is shared by most of my colleagues on the Committee, that the recruitment and training of civil servants has not kept pace with some of the issues, particularly that of financial responsibility. There has been an increase in training and personal development, which is welcome, but it astonished me to find out that, for example, it was only a couple of years ago when a financially qualified senior civil servant was recruited by the Ministry of Defence.

Sir Gus O'Donnell stated at a recent hearing that the British civil service has always prided itself on recruiting,

"the brightest and the best"

and on making people skilled generalists. I am not suggesting in any way that we stop recruiting those exceptionally bright people, but we also need to recognise that, in delivering projects efficiently, effectively and economically, they need to be managed properly. Will the Minister address that issue in his comments at the end of the debate and tell us what Departments are doing to enhance the training opportunities for those who undertake project management? It is not fair to the taxpayer or, indeed, to the individual civil servant for us to assume that people can manage complex and expensive projects without having the appropriate skills from the very day on which they assume responsibility for that work. With complex financial projects, learning on the job is simply not good enough.

Another point that has emerged from our discussions is how lessons are disseminated—or not, whichever is the case—across Government Departments. How does this happen currently? I get the feeling that permanent secretaries talk about it when they meet, and I understand that they meet on a regular basis. But is it a structured discussion? Is it then cascaded down to other colleagues in their Departments? Is it a learning experience only for them and their senior officials, or is it used as a corporate opportunity to change the way in which the service as a whole develops? I would like to get a feel for how we spread the word of good practice across all Departments.

Before I leave this part of my speech, I want to comment on one Department where people have tended to get it right—not always, but probably in the majority of cases—and that is the Department for Work and Pensions. Like my right hon. Friend the Member for Barking, I have a special interest in that Department having been a Minister there for more than three years. I was delighted to hear from the retiring permanent secretary about the implementation of the new employment and support allowance IT platforms. I remember this particularly because as a Minister, when we had discussions on that project in undertaking the development work that led to the Welfare Reform Act 2007, we were told that, yes, it was "stretching", but those officials immediately started to look at ways in which they could deliver it.

I know that there are good officials in all Whitehall Departments, but the one distinguishing feature of the DWP and its senior management team is that they tend to "grow" their own people. Officials at the DWP have come through the ranks. They understand the business, and they have had to deal with real people and solve real problems throughout their civil service career. I was pleased to note that the permanent secretary who was retiring indicated that the new perm sec, Terry Moran, follows in that tradition as someone who joined the Department as a 16-year-old in Blackpool, as I remember. That is an indication of how Departments can get it right. The DWP is not perfect, by any manner of means, but on average it tends to be a bit better in delivering some of its projects.

I want briefly to mention two specific reports and Committee sessions: first, on the academies programme, which my right hon. Friend the Member for Barking also mentioned; and, secondly, on tackling health inequalities. On the first, it was a joy to be present at that discussion. Unlike the current proposals, about which I have grave misgivings on a political level, this programme was intended to improve the performance of so-called failing schools still within the state system and directly managed by the Department of Education. The NAO report clearly indicates that most academies are achieving increased academic success and that Ofsted reports are, in the main, good. There are, of course, imperfections—the report did not say that things were perfect—but in delivering effectively, economically and efficiently, the Department is doing reasonably well.

It was no surprise to discover that one of the reasons that happened was that one person, in the shape of Lord Adonis, was there at the inception of the idea and through to the delivery of the project. Consistent and persistent political overview obviously helped. In the same vein, we need to look to consistent and persistent senior responsible officials to deliver some of these complicated reports.

Dr John Pugh (Southport) (LD): The right hon. Lady may be aware that a previous NAO report seen by the previous PAC established that Excellence in Cities, which was a predecessor programme, achieved equally good results at far less cost.

Mrs McGuire: I am speaking purely of the report that was in front of us, but I accept that there may have been other approaches. I was using the point as an illustration, not a comparison.

Mr Bacon: I fully accept the right hon. Lady's point, whether it was meant as an illustration or a comparison. Another interesting facet of the academies programme, which Lord Adonis pointed out to the Committee in a seminar, was that after a relatively short period it was he, as the Minister, who held the collective memory in the Department. All the civil servants who advised him on the programme had been there for less time than him. What does that tell us about how the civil service manages its people?

Mrs McGuire: The hon. Gentleman highlights a recurring concern among Committee members, which is that the tendency to move civil servants around the system so often means that the collective memory is not built up. That was illustrated beautifully in yesterday's discussions with the people from the MOD. Even in a programme of intermediate length, there had been God knows how many senior responsible officers. That leaves no opportunity to build up the collective memory.

I will take your comments to heart, Mr Deputy Speaker, and will not speak for too much time. However, I wish to highlight one other report that I found outrageous, which was on health inequalities and life expectancy. As the Committee said, the issue of health inequalities is not new. A J Cronin wrote about it in his stories about Dr Finlay and Dr Cameron. We all know about these issues. Although it was officially identified in 1997, our progress in dealing with this problem, which has been staring us in the face, is depressing. There are issues with the approach of general practitioners to those who suffer health disadvantages.

I hope that the new Government will look at the report carefully, because as they reform and change the NHS, they must consider whether they can deal with the inequalities in health across the country, or whether they will reinforce them. For the record, that is one report on which I received positive feedback from people outside this House who are in public health. A colleague in the Scottish Parliament said that it was one of the best reports he had read on the issue.

I will conclude by looking briefly to the future. Parliamentary scrutiny of the taxpayer's pound will be more challenging. As more services are devolved to commissioning GP practices and thousands of schools, the scale of the audit trail will be breathtaking and value-for-money analyses will be even more complex. I hope that the Minister gives us an understanding of who will be responsible for the spend. Can we expect it to still be the departmental accounting officer, when he or she will have no control once the money leaves the Department? Will we invite school governors and managers, partners in general practices, and chief executives of voluntary organisations to appear before us? This is a question for us all: who carries the can when public money is involved and who pays the price if it all goes wrong? It is bad enough at the moment, when few heads appear to roll even when things go spectacularly wrong. What will it be like when thousands of people are ostensibly responsible for signing taxpayers' cheques? A taxpayer's pound is a taxpayer's pound, whoever spends it. The PAC, along with the NAO and the Government, will have to consider quickly how we will manage our work to ensure that there is still public accountability and that value for money is still identified.

Several hon. Members *rose*

Mr Deputy Speaker: Order. Quite a few Members are trying to catch my eye and I hope to call them all. If it looks like I will not be able to do so, I will have to put a time limit on speeches, but I do not want to do that.

4.49 pm

Dr John Pugh (Southport) (LD): I am a former member of the PAC, and I found it an extraordinarily useful part of my parliamentary life and actually quite a lot of fun. I noted the remark from its Chair that its members are invariably impeccably well prepared, and I must admit that the Committee has therefore improved somewhat. I can remember times when the odd member might have simply glanced hurriedly at an NAO report just as they walked through the door. I am sure that does not happen today and that things are significantly better.

The PAC specialises primarily in post hoc analysis. The hon. Member for Gainsborough (Mr Leigh), who is in his place, and I wrote to the Treasury about that shortly after the end of the last Parliament, suggesting that it had not learned enough from the PAC and had not taken on board some of the messages that the Committee sent it. We said that there was scope for improving parliamentary scrutiny. Lo and behold, the Treasury has recently asked us to work on improving scrutiny by the House. Some people have greatness thrust upon them, and that is certainly the case for us in our modest role in the order of things.

What the PAC offers is a post hoc diagnosis, a forensic analysis of how policy is implemented by civil servants according to what their political masters dictate. They are invited in for a Socratic discussion about how things have gone, and the idea is that the Treasury then responds by trying to learn lessons and ultimately spread good practice. That is the subject of the motion.

To be fair, the hon. Member for Gainsborough has claimed in the past that the Treasury, or somebody at any rate, has implemented most of the lessons that the PAC has endeavoured to teach it. However, the PAC should have bigger ambitions. Its role in the House could be more than just to provide a commentary, and it could be a more functional part of the legislature, as is its parallel body in the USA, and as the hon. Gentleman and myself desire.

At the moment, after whatever botch-up we happen to be talking about in the Ministry of Defence or wherever, hon. Members, usually the hon. Member for South Norfolk (Mr Bacon), ask rigorously what tests were applied at the time. Indeed, that was the burden of the hon. Gentleman's speech today. He asks what health checks were made, what the gateway review process was and whether the costings were robust enough.

The hon. Gentleman was honest enough to say today that we might be asking all those questions all over again at the end of this Parliament, because a whole series of other programmes are being rolled out, such as academies, which have been mentioned, welfare reform,

NHS reorganisation, which is a heck of a big programme, and court closures. PAC members will be aware that, in the past, it discussed the effect of court availability on such matters as cracked trials, people failing to show up and court costs. There is also the green energy programme announced today. They are all huge Government programmes.

Each of those programmes should, and in fact does, involve some type of internal gateway review and Treasury assessment. There are jolly clever people in the Treasury who make it their business to examine them and see where they are heading. Unlike in local government, however, in which such processes are overt and public papers are circulated, the information never emerges in public. It is not released until long after the event, when the PAC might get its hands on it. It is held within the Government's walls. In one sense that is bizarre, because Parliament is asked to authorise all the schemes, and in a way we vote for them blind, without adequate financial assurance.

What Parliament does in that regard is not sufficient for the task. We vote on money resolutions, but we do not talk about them. We have the farce of estimates day, and on the occasions when supplementary estimates go before Select Committees, those Committees by and large talk about something else. Occasionally a Committee will probe the finances of a particular project, and the Health Committee has done some trailblazing work in examining the finances of current Government policy. Occasionally there is a political knockabout either in Westminster Hall or on the Floor of the House, but we do not have in place adequate stress testing of policy. The PAC could contribute to that, but that testing is weak in this legislature.

The PAC is ideally set up for such a role, because it is not a policy Committee. It can ensure that costings stand up to critique. The proactive role that I hope for would keep the Government on their mettle—fewer foolish schemes would make progress—and keep the PAC on its mettle. The Committee has the advantage at the moment of always acting in hindsight in that it never gives its judgment up front so that people can see whether it turns out to be correct.

Going down the road I suggest would encourage transparency, avoid Parliament voting in ignorance and bring us into line with other countries. What is more, it would be a significant enhancement both of the PAC's role and of parliamentary scrutiny, and a significant improvement in government. The NHS IT programme would never have run if the PAC had such a simple and clear-cut role. It would empower Parliament, improve its efficiency, and make the Government more efficient and competent. I believe that people not only in the Treasury, but in the Cabinet Office, have efficiency and competency as a determined ambition now. The country hankers for boring, effective, evidence-led government. We have had enough of being flash, we are fed up with revolutions in this service and that, and we do not really require a great deal of liberation. It would also be significant improvement if Ministers could stop using the word "step change" every time they do anything.

Good, efficient, boring government would be a significant development, and the PAC has a significant role to play if the Government allow it to do so.

4.56 pm

Dr Stella Creasy (Walthamstow) (Lab/Co-op): I am delighted to contribute to this debate as a new Member of the House and a new member of the PAC. We have seen the breadth of experience within the Committee and some formidable Members have addressed the House already. It is incredibly daunting to join them. I pay tribute to the Chair and her work in making newer members of the Committee feel very welcome, although we must do our homework.

I stood for election to this important Committee because Parliament has three key roles. First, our role is representation—we speak on behalf of the people who voted us in. I am conscious that when I speak, I do so not as myself but as the representative for Walthamstow. Secondly, we are here to make laws as the legislature. We all came into politics not just to change governance, but to change lives, which we do through passing laws. Finally and crucially, our third role is oversight and scrutiny. As my right hon. Friend the Member for Stirling (Mrs McGuire) alluded to, sometimes that is not seen as glamorous as the other two roles I mentioned, but I disagree, because oversight and scrutiny is crucial. The best oversight and scrutiny is about whether politicians can achieve the things that they say they want, and why they cannot do so if that is the case, and considering other ways of doing things. Oversight and scrutiny speak to a recognition that Governments should not just start projects or policies—the public expect them to be able to finish them too. Essentially, implementation is as important as ideology in politics.

Clearly, good governance requires all three of those functions to be enacted effectively, and each depends on the others for success. Without an effective system of scrutiny and oversight, wise words and good intentions will falter on the wheel of day-to-day delivery and the messy complexity of how change occurs.

I therefore ask hon. Members to support the motion, because it relates to the PAC's performance of those functions within the House. The PAC is very different from Select Committees that look at the desirability of policy because it looks at policy effectiveness and implementation. That is why I take great pleasure in being a member of the Select Committee that Baron Hennessy of Nympsfield described as

"the queen of select committees".

I take pleasure in quoting him not least because I represent him, which is a nice way of referring back to the first function of Parliament that I mentioned. The Westminster model is seen across the world as the gold standard of accountability on questions of effectiveness and value for money—other countries have subsequently followed that proud historical tradition.

I stood for election to the Committee not least because of my experience in local government and the value of scrutiny in the delivery of policy. I have been on the Committee only since November, but I have thoroughly enjoyed the experience so far, because we take seriously our job of safeguarding public money. I understand now why Baron Hennessey argues that the PAC exerts a cleansing effect on all Departments, because each week we thoroughly challenge witnesses—some more than others, perhaps—on the basis of the evidence before us. We take seriously the lesson that John F. Kennedy once

[Dr Stella Creasy]

taught: from his experience in government, when things are non-controversial and beautifully co-ordinated, there is not much going on.

The wide range of topics I have covered in my short time on the Committee bears that out—from our work on the community care grant to the major Ministry of Defence projects and the employment of consultants. I have learned more about hard shoulders on motorways and the nature of the M25 than I ever thought I wanted to know. However, all our work reflects the Committee's crucial role in holding Governments to account over how they deliver on their promises to the public. The hon. Member for South Norfolk (Mr Bacon) expressed that honourably in his detailed examination of farming policy. That, too, reflects the breadth of our work.

Our Committee is an exercise not in teaching new or seasoned MPs about the topics of the day, but in understanding the concept of delivery and how to make it work. It is also about the crucial and honourable role that civil servants play in government. My right hon. Friend the Member for Stirling admirably set out some of the challenges in how the civil service and the Government work together. However, the work does not stop with meetings, and that is what the motion reflects and why I want to pay tribute to the Clerks and the National Audit Office for the work they do to support our Committee. I have found their reports incredibly useful. Our role is about the process of change and how it is followed through. That is the cleansing work in action.

The Committee's meetings and follow-up work form a circle of scrutiny that is critical to how Governments act, which is why it is vital that our work does not disappear into a dusty report or an uncomfortable meeting in Committee Room 15—however cold or hot it may be. The motion is about ensuring that the cycle of scrutiny and oversight matches our legislative and representative functions in Parliament. Ministers need to be held accountable, if there are problems with their Departments in following up on the Committee's recommendations, and it is right that we have a motion about the power to bring them to the House if necessary, so that all Members can be involved in the discussion and understand what is happening on the ground with those policies.

There are examples of where these problems of accountability lie. According to recent research, about 60% of the Committee's recommendations have been accepted and about 30% partially accepted. That is comparable with other systems. However, there is an issue for us to consider, because it is not any one Department that has been challenging in terms of following up those recommendations. We need to reconsider our ability to follow up those issues and tell Departments and Ministers what is happening. The Committee Chair set out admirably some of the challenges we face over the patchy delivery of value for money and the pace of change in implementing recommendations.

When recommendations are followed up, there can be great benefits for the Government and ultimately the public in the delivery of policy. In particular, I am impressed by the work done on obesity. The Committee played a role in bringing together a holistic view of how the Government were looking at the cost to the taxpayer of not addressing obesity. That work is key. Also: the Committee's rigorous and persistent scrutiny in relation to the Criminal Injuries Compensation Authority has finally enabled change to happen.

The hon. Member for South Norfolk also alluded to the work on health and stroke care. That is another example of where the process of overview and scrutiny has made a real difference to the quality of service that people in this country receive. We also had a debate this week about the major MOD projects. Clearly, that is a controversial subject, and yesterday, we took some very difficult testimony. Notwithstanding the examples that we looked at yesterday, this rigorous scrutiny of how those projects are delivered, and the fact that the NAO, together with our Committee, has continued to apply pressure, is testament to the work that we do. Some 13 out of the 15 projects we are looking at are now being delivered better. That is a result of our work with the Government. That is why I think that our Committee reflects what is best called constructive criticism made real. However, we need more powers to ensure that that happens.

From my few months on the Committee, I can vouch for the fact that we have been equally helpful to both the last and the current Government. That is why the Government should not fear the motion, but welcome it, especially given some of the major changes to delivery that they are talking about making, particularly in terms of localism. My right hon. Friend the Member for Stirling admirably set out some of the challenges involved in having new actors delivering things through the public purse and perhaps even being responsible for commissioning services. It is all the more important that Parliament should have a clear role in asking, on behalf of the public, whether we are getting value for money, and whether we are able to deliver the things that we talk about in this House and that we as representatives, making laws, want to see happen.

It is also important to note what studies of other public accounts committees have looked at. The hon. Member for Southport (Dr Pugh) gave some examples of that. For instance, 75% of public accounts committees that were surveyed by the World Bank agreed that it was crucial to their effectiveness to have the power to follow up reports and to check the implementation of their recommendations. The World Bank also calls for powers for public accounts committees across the world to be strengthened. It is therefore important for us to recognise—as perhaps representing, as it were, the gold standard of public accounts committees—that we could lead the way on that, through today's motion and the proposals that have been put forward. That is why the House should support the proposals, because this debate is not just about the positive impact of overview and scrutiny of public policy; it is also about ensuring that the work that we do benefits the people of this country. Indeed, I am also incredibly mindful of that representative aspect to this debate. We have a responsibility to the House and to the people whom we represent.

I do not intend to speak for too long, as I know that many other new Members also want to contribute. I hope that I can persuade the Government to accept the motion. In the words of Thomas Jefferson:

"Whenever the people are well informed, they can be trusted with their own government; that whenever things get so far wrong as to attract their notice, they may be relied on to set them to rights."

I hope that the House will see the Public Accounts Committee as part of that process of setting things to rights, and that the power that we are seeking today becomes part of ensuring that policy is delivered in the way that we want it to be delivered. If that alone is not encouragement enough, I would also ask the Minister to reflect on the words of an anonymous source who said:

"Admit your errors before someone else exaggerates them."

I hope that the Minister will see the reports that we produce as a fair reflection of the work of Government and the challenges ahead, and that, in the spirit of constructive criticism, he will support the motion today.

5.7 pm

Stephen Barclay (North East Cambridgeshire) (Con): I am conscious that time is short and a number of colleagues wish to speak, so I shall abridge my remarks accordingly. However, I would like first to endorse the comments of my hon. Friend the Member for South Norfolk (Mr Bacon) and other members of the Committee, in paying tribute to the stewardship of the right hon. Member for Barking (Margaret Hodge). I would like also to thank the National Audit Office, which serves members of the Committee tremendously well.

It sometimes feels as though, as members of the Public Accounts Committee, we are getting a glimpse into the cosseted world of the television studio interviewer. We can climb on a pedestal and enjoy the clear view of hindsight. We have the safety harness of asking questions rather than giving answers. We can look at issues in isolation, rather than being distracted, as decision makers are, by many competing challenges. Yet in the short period in which I have been a member of the Committee, the same issues have kept appearing, with the ticking frequency of a metronome—a lack of accountability; poor data quality; insufficient testing of pilots; inadequate project change controls; and a mismatch of management skill sets. What binds many reports is unnecessary complexity, which invariably adds cost and masks inefficiency.

However, in this, the annual debate on the Public Accounts Committee, it is right to step down from the comfort of our perch and set out some solutions to the challenges that we face. In particular, I want to touch on five areas, subject to the time available. We need to clarify the letters of direction signed by accounting officers on their appointment and make such letters Department-specific. We need to improve the transparency of the information given to Parliament by ensuring that the NAO has unfettered access to National Rail, the BBC and the Bank of England. We need to redefine the role of senior responsible owners, to ensure that the current gap between skills and requirements is addressed. We need to introduce greater standardisation of the data presented by Departments to Committees, to facilitate better benchmarking across Government. We also need to embrace different mechanisms—some of that is already happening—so that we not only hold those making decisions to account, but look at different forums and opportunities to learn lessons.

I do not put forward those suggestions in the belief that they are in any way revolutionary. Nor do I believe, given that not even the brightest of our Sir Humphreys have managed to solve them—indeed, the Public Accounts Committee has been in existence since 1836—that my proposals are a panacea. They are simply some areas in which the Committee can start to change the direction of travel in a practical way.

I want to give the House an example to illustrate the first of those points, and perhaps the Treasury can take this away as an action for today. It relates to the letters sent to permanent secretaries. The letter dated 13 October 2010 appointing Martin Donnelly as permanent secretary of the Department for Business, Innovation and Skills makes reference to "RfRI, 2, and 3", without defining what these are, and to section 5(6) of the Government Resources and Accounts Act 2000, to section 5(7) of that Act, and to chapter 3 of the "Managing Public Money" document. It also requires him to look at the Treasury handbook on "Regularity, Propriety and Value for Money". I suggest to the Treasury that a new permanent secretary taking over the reins of a Department has better things to do than read those documents.

We saw in the evidence from Sir Bill Jeffrey that there had been a discussion about why he had not sought a letter of direction, when signing the contracts for the aircraft carriers, on the ground of affordability. There was a lack of clarity there, and that was in conflict with the letter that the Committee had received from Sir Nicholas Macpherson. So it is clear that there are issues there.

Mr Bacon: Will my hon. Friend give way?

Stephen Barclay: I will not, because other colleagues need to speak. In fact, I have time to discuss only this one issue, and I will not talk about the other four. I hope that the Treasury will conduct a review of the letters that go to permanent secretaries, so that they can at least be made Department-specific and self-contained as stand-alone documents. At the moment, they are unclear, and that gives rise to the kind of confusion that we saw in relation to Sir Bill Jeffrey and others.

5.12 pm

Jackie Doyle-Price (Thurrock) (Con): I, too, have the pleasure of being a member of the Public Accounts Committee, serving under the probing chairmanship of the right hon. Member for Barking (Margaret Hodge). I want to follow up some of the points made by my hon. Friend the Member for North East Cambridgeshire (Stephen Barclay). Sometimes serving on the Committee does feel a bit like being in "Groundhog Day", as we see the same issues arising again and again in relation to delays in executing contracts, poor management and so on. I want to concentrate on one theme leading from that, which is leadership.

Leadership is crucial to the delivery of any programme. It involves the ability to take ownership, and to ensure that projects are delivered to deadline and on budget, and that they are fit for purpose and deliver the objectives that they are meant to achieve. Too often, we have found such leadership lacking. My message to my colleagues on the Front Bench is that, given the public spending constraints that we now face, value for money is of central importance, and the Treasury needs to play a much stronger role in ensuring that Departments deliver their obligations. For that reason, I heartily endorse the sentiments in the motion, which will put ministerial accountability at the heart of delivering value for money. Hitherto, the Committee has not called Ministers to

[Jackie Doyle-Price]

give evidence, but I am fast coming round to the view that there is a case for doing that, so that Treasury and Cabinet Office Ministers can tell us what they are doing to ensure that their colleagues across government are delivering against their obligations.

The right hon. Member for Barking referred to the Committee's report on the 2007 comprehensive spending review. Ministers should read that report, to see where things might go wrong in the current spending environment. There was a massive discrepancy between Departments in the degree to which they were able to deliver against the cuts that were required of them. In particular, the Department for Communities and Local Government had achieved only 5% of its required savings halfway through the inquiry. That brings me back to the importance of leadership and the importance of government as a machine ensuring that the principle of value for money really is pushed all the way through the system.

Other colleagues want to speak in the debate so I shall close by drawing the House's attention to the private finance initiative, which has been the subject of a great deal of work by the Committee. In the recent past, the machinery of government has been rather too attached to PFI as a funding stream, with delivery being focused on completing a deal rather than on whether the PFI contract really represented value for money for the taxpayer and whether it would deliver what was required. The Committee examined the role of the PFI after the credit crunch. We found that the banks had increased the cost of financing PFI projects by up to a third, and that the risks had been transferred back to the public sector at an additional cost of £1 billion to the taxpayer.

It is not surprising that financing costs rose following the credit crunch, but it is very disappointing that the Treasury did not use that occasion to challenge the view that the PFI was still an appropriate funding vehicle for many projects. The contract for the widening of the M25 has already been mentioned. The cost of that was increased by 23%, or £660 million. In the past few weeks, the Secretary of State for Transport has had to announce significant cuts in his expenditure. It is clear that the delivery of other projects has been jeopardised. We are locked into some PFI contracts for 30 years, which means that those that are of poor value will clearly be of ongoing poor value to the taxpayer.

Moreover, a contract of that length is not suitable for some services. Facilities need to be able to react to the constantly changing needs of hospitals, for example. If we nail everything down in a PFI contract, we embed inflexibility in the system. NHS South West Essex primary care trust in my constituency is in a very poor financial state, and is implementing a severe programme of cuts to deal with an overspend. Sitting in the middle is Brentwood community hospital, an underused facility funded by an expensive PFI contract.

My message to the Government is very simple. The Treasury and Ministers throughout Government must be vigilant and fleet of foot in ensuring that their Departments deliver value for money, and a central part of that will consist of responding to the findings in our reports. I look to the Treasury in particular to ensure that appropriate leadership is given, and that we deliver better value for the taxpayer.

5.16 pm

James Wharton (Stockton South) (Con): Thank you for giving me an opportunity to contribute, Mr. Deputy Speaker. I also thank other Members who have curtailed their speeches in order to ensure that everyone has a chance to speak in this important debate. I emphasise the importance of the debate, and also that of the role of the Public Accounts Committee. I am a relatively new Member of Parliament and a new member of the Committee. I hope that the right hon. Member for Stirling (Mrs McGuire) will forgive me if I say that I am indeed learning on the job, and it is a very steep learning curve, but I think that many new members are getting to grips with their role very well. I am pleased to count myself among friends on the Committee, even if we are not all hon. Friends on the Floor of the House.

I must make a brief apology to a rather wonderful lady called Julia Whitehill. She is my constituency caseworker, and she worked diligently to arrange the constituency office drinks party this evening, which I have forgone in order to speak in the debate. If that is not a measure of the importance that I attach to the PAC's work and to the debate, I do not know what is.

I shall touch briefly on just one of the many reports that the Committee has undertaken in the current parliamentary year, because I think that it is of significance to my constituents. Tackling health inequalities has already been mentioned in the debate, and the report to which I refer is entitled "Tackling inequalities in life expectancy in areas with the worst health and deprivation".

My constituency in the north-east of England is at the centre of much of that challenge. We have real deprivation in my region, and we face real challenges in health care and life expectancy, which need to be addressed. The Committee identified some of the failings in policy that had hampered earlier efforts to tackle the problem, and suggested a number of measures that future Governments might wish to take. It found that the health gap between deprived areas and the general population had widened despite the efforts that had clearly been made—I do not deny the legitimate efforts made by the last Government to tackle the problem, and I do not suggest that it is not high on the agenda for many Members in all parts of the House—and that the Department of Health had not set about its important task with sufficient urgency or focus.

The Committee also found that a failure adequately to address GP shortages in areas of deprivation had led to the widening of the gap, or at least had been a significant contributory factor, and that that was still a problem. It suggested that there were opportunities for the Department to identify new measures to drive up GP numbers in areas of deprivation, including the possible use of the GP contract to give GPs an incentive to go to the places where they were most needed.

The NHS spends about 4% of its overall budget on prevention, but the Committee found—this is a recurring theme—that individual commissioner spending was not readily identifiable; as we find when we look at many Government Departments and operations, the lines of accountability were blurred. Time and again we find that accountability suffers when Governments of whatever political hue push forward with measures that do not properly take into account the lessons the Committee tries to help them understand.

Along with funding shortfalls and other problems which, sadly, I do not have time to go into in detail, we found that there is much work to do and that previous efforts had not succeeded. Across so many Departments, the lines of accountability—the ability to measure what is supposed to be achieved and to set milestones on where we are meant to be going—are lacking in the plans put forward, whether by civil servants, Ministers or political parties. A huge amount of work needs to be done to change the way government functions so that Governments can deliver their objectives, whatever they might be. Whatever our political outlook, we all have an interest in ensuring that Governments work efficiently so that when Ministers pull the levers of power, things happen in the way that is intended. A key aspect of the PAC's role is identifying where Governments do not deliver in the way they are supposed to, irrespective of policy determination or the lead coming from the Ministers at the top.

I am conscious of the time constraints but I merely wanted to have the opportunity to make this contribution and to put on record my admiration for the work that our wonderful Chairman, the right hon. Member for Barking (Margaret Hodge), is doing in leading us through a challenging set of reports and issues. Our work load is, I think, greater than that of the other Select Committees of this great House at this time, as is the pace at which we tackle it. I am extremely pleased to be a member of the Committee and to have had this opportunity to contribute to the debate. I will end my remarks now in the hope that other Members will also be able to contribute.

5.21 pm

Joseph Johnson (Orpington) (Con): I thank those hon. Members who have curtailed their speeches, and due to the severe time constraints, I will also limit myself to addressing just one theme. It is the theme we discussed in the recent hearing on the Department for International Development: supporting primary education around the world. That is a subject in which I take a particular interest.

That hearing contrasted with many of the other hearings the Committee has had, because DFID is not a repeat offender in the sense that it is not having to be forced to implement past PAC reports. It is a Department that is being reformed from top to bottom, very much in the spirit of the long line of PAC reports that have been critical of value for money within the Department.

The hearing provided us with a very good insight into the work of a Department that is of major importance to the coalition and will become of increasing importance as we meet our commitment to lift the share of aid spending to 0.7% of national income by 2013. Let there be no doubt as to my support for this commitment, which demonstrates the coalition's determination to stand behind the poorest people around the world. However, at a time of severe retrenchment across unprotected Government Departments, it is all the more crucial that DFID continues the work that has been ongoing—since May, I would say—to do more to secure maximum value for money for the UK taxpayer and the greatest possible impact for those whom the Department is trying to help. The PAC hearing raised a number of concerns in this respect.

First, the primary education programme supported by DFID illustrates the way the Department has, until recently, made astonishingly little attempt to measure value for money in even its biggest programmes. DFID's rationale for investing in education is that it brings wider benefits which support poverty reduction, but the National Audit Office report and then the PAC hearing clearly found that too much emphasis has been placed on measuring simply the numbers entering education and that DFID has been too quick to claim credit for increases in enrolment rates that are hard to link directly to its programmes. It is also clear that the Department has paid too little attention to how many children are actually attending and completing primary school education, along with the standard of literacy and numeracy they attain. Those are key areas where limited progress has been made. I am glad that, since May, value for money has been vigorously addressed by the new Secretary of State and his team. There is the clear objective of reorienting the entire aid programme to focus on results, not inputs.

That is all the more important in the context of a comprehensive spending review where DFID's budget is being increased quite substantially, from £6.3 billion this year to £9.4 billion by 2014-15. That is the single biggest increase across all Departments and is an increase of 37% in real terms. By 2014-15, DFID will be bigger even than the Home Office and the Ministry of Justice. That is why I particularly appreciate the work that it is doing to set up the Independent Commission for Aid Impact, which will further emphasise the new value for money priority of the Department. A chief commissioner is in place and is starting work as we speak.

It is also worth pointing out that even though DFID's budget is expanding, the Department is not losing its focus on administrative efficiency and value for money. That is another area where we can commend the way in which the Department is pre-emptively addressing the concerns that we were raising in the PAC hearing. Although DFID's overall budget is increasing, administrative costs within the Department are to be reduced by 33% over the course of the comprehensive spending review period. There is certainly evidence to suggest that there is still fat to be cut. I find it surprising that, in an aid Department, there are civil servants earning £175,000, and I am not sure that that sets a great example to the pro bono sector in general.

Lastly, I return to where I started. Measuring outcomes accurately and demonstrating value for money will help to build public support and buy-in for the substantial expansion of the DFID budget that we are programming over the coming years. The PAC's work in that respect will make a valuable contribution to the process.

5.26 pm

Ian Swales (Redcar) (LD): I shall be brief. I am also new to the House and the Public Accounts Committee, and I thoroughly enjoy working for the right hon. Member for Barking (Margaret Hodge) and respect the massive expertise of my fellow Committee members.

I wish to discuss the recurring themes of our work, which is an issue that has been mentioned today. Even at this early stage, I recognise the same messages coming out again and again. The hon. Members for South Norfolk (Mr Bacon) and for Great Grimsby (Austin Mitchell),

[Ian Swales]

who are the corporate memory of our Committee, often remind us of that. I was recently contacted by a former senior civil servant in the Home Office, who discovered that I was serving on the PAC and wrote me a long e-mail outlining the issues as he remembered them, how the Committee's recommendations were dealt with and the crucial issue of accountability. Although he retired seven years ago, his e-mail could have been written about what was happening yesterday.

I am conscious that the Committee tends to review problem areas, rather than successes, and so one perhaps gets a slightly jaundiced view. However, one is struck by the eye-watering sums we often talk about and one can get desensitised. One begins to think that £100 million of waste does not seem too much. Last week, we held a review of errors in the benefits system and it was suggested that £1 billion might be some kind of irreducible minimum. It is inconceivable that that discussion would take place in the private sector with that conclusion being reached.

I support the comments that have been made about leadership. I describe the people who the Committee sees as the good, the bad and the slippery. We get some very good ones, but we certainly get some of the other types too. I was going to talk in detail about the consultancy area, of which I have direct experience, but time does not permit me to do so. I shall therefore pick up just one point on that, which was that consultants tend to be engaged on a time basis, rather than on the basis of fixed outcomes, fixed prices.

So many of our reviews have huge time scales; it is common to be talking about issues that have taken longer than the second world war to sort out. That raises questions about the way the Government contract, engage consultants and so on and whether they really get things done in a timely fashion.

I recognise that there are challenges ahead. Although I welcome some of the Government's movements on accountability and business plans, there are challenges involving the comprehensive spending review as well as two issues that have not been mentioned yet. The first is the abolition of the Audit Commission, and I still think we need to decide what the post-life is on that. Secondly, crucially, much Government money is now going to outside bodies that are beyond the reach of the National Audit Office. For example, in the consultancy world, £700 million is estimated to go to outside bodies versus £1 billion in departmental spending.

I welcome the motion, which seems a step in the right direction. It is right that we should not engage in political discussion or decision making, but many of our conclusions are not just about the Treasury – they require ministerial action. I commend the motion to the House.

5.30 pm

Mr David Hanson (Delyn) (Lab): I have sat through the debate and found it extremely positive in its approach to the issues. There is a great deal of cross-party support for making how we manage issues in government a key focus.

May I begin by paying tribute to my right hon. Friend the Member for Barking (Margaret Hodge)? It is already clear that she has not only a grasp of the role of the Public Accounts Committee but the respect and support of Members on both sides of the House. It is crucial to consider the PAC's role by leaving aside party politics and examining where systemic failures in Government expenditure occur.

May I also echo my right hon. Friend's thanks and support for the hon. Member for Gainsborough (Mr Leigh)? He served the House of Commons well during his period in office, when he produced more than 400 reports on a range of issues. I can honestly say that during the last Parliament I appeared to wake up most mornings to the hon. Gentleman on the radio, kicking somebody. As a Minister in the last Government, I was often grateful that it was not me.

I welcome the approach taken in the motion. I will support it as I recognise that it contains elements that will help to strengthen the accountability of Ministers for acting upon the reports that they have accepted as recommendations from the PAC. Anything that puts in place a mechanism that will make Ministers and their civil servants know that they have to report back to the House on progress on measures that they have accepted and agreed to do is extremely important.

I am grateful for the speeches made by right hon. and hon. Members on both sides of the House. Several key themes have come out of the debate. First, we have seen the importance of the scrutiny role that the PAC will perform and has performed. The hon. Member for Orpington (Joseph Johnson) pointed out the recent report on the activities undertaken by DFID.

The hon. Member for South Norfolk (Mr Bacon) referred to not just scrutiny but to the positive actions taken on hospital-acquired infection as a result of reports undertaken by the PAC. Indeed, he mentioned the improvements that are taking place in the Home Office. I can speak from personal experience as for a short period I was subject to a report as a Minister in the Ministry of Justice. It was on the National Offender Management Service's C-NOMIS programme, which is an interesting point to which I shall return later. I became a Minister three and a half years after the programme commenced, froze the project three months after my inauguration in the Department and was subject to a PAC report that considered a range of issues. Civil servants had come, gone and left before I came and, after I left, civil servants were still managing that project. There are important lessons that we need to consider.

The scrutiny role of the PAC is important, but key issues to do with good governance have arisen in today's debate and they are equally important. The hon. Member for North East Cambridgeshire (Stephen Barclay) listed clearly what is required of good governance in any project management. It is the sort of project management that anybody in the private sector or the voluntary sector who has responsibility for resources will undertake. Even in our private lives, most of us will undertake such good governance to ensure that we meet collective objectives. The hon. Gentleman's point was also reflected in the comments of the hon. Member for Thurrock (Jackie Doyle-Price) on the leadership that is required for the role of good governance. The hon. Member for Southport (Dr Pugh) also touched on that.

Good governance relates to some key issues that were reflected in what the hon. Member for Redcar (Ian Swales) said about self-evident truths that recur. They should be the key issues that the Committee focuses on

as part of its future role, and they involve simple issues such as having a proper business plan, clarity of objectives and clarity and responsibility for budgeting. It is also about having a reporting mechanism so that people know what is being spent when, how and for what purpose, and it involves the good governance of civil servants, which the hon. Member for South Norfolk mentioned, and good ministerial governance. That was reflected in the comments of my hon. Friend the Member for Walthamstow (Dr Creasy) about her constituent. Now that he has been elevated to the Lords, I am afraid that however he voted at the last general election, he will not be able to vote in the next one.

The issue is how to put in place and systemically manage the overall issues. It comes down to key issues of personal accountability for civil servants and Ministers. There is a role for the Committee, which is echoed in the motion, and it relates to the accountability of individuals — Ministers and at civil servant level — for the decisions they take and for how they manage the good governance issues I have outlined.

Delivery is key. The hon. Member for Stockton South (James Wharton), who showed real commitment to the Committee by missing his constituency party, focused on the issue in his area about how the political aspirations of whichever party is in government are delivered on the ground. What Ministers decide, how civil servants protect the taxpayer against reckless ministerial decisions and how they implement positive ministerial decisions is key. The points that the hon. Gentleman made were very important in relation to the health aspirations he discussed, but this is ultimately about value for money and making sure that whatever objectives Ministers have set are delivered in a timely, sensible and forward-looking fashion.

My right hon. Friend the Member for Stirling (Mrs McGuire) highlighted some of the challenges we will face in the future. I do not want to politicise this debate, but the current Government's focus on greater localism, devolution of power and distribution of responsibility will mean that the food chain of accountability that she mentioned will be equally important in future.

As a background to all this, we are in a time of increasingly reducing resources. The Government's Budget proposals mean reductions of £32 billion a year and additional net tax increases of £8 billion a year by 2014-15. Departmental losses include figures such as a 49% reduction in the capital budget in the Home Office and reductions in revenue budgets of 23% and 24% at the Ministry of Justice and the Home Office. Whatever our views on those matters, and we all have our own views, it is even more important at this time of diminishing resources that they are spent with a clear focus on value for money, that they deliver what they are meant to deliver and that they are managed by Ministers through the civil service. As we have seen recently, the Committee's reports on the Ministry of Defence's major projects review, which my right hon. Friend the Member for Barking has ably led on this week, and on the private finance initiative contracts with the Highways Agency to widen the M25 show that, retrospectively, there are real issues that will be common themes that we need to address for the future.

Before I conclude, let me make a simple point about how stability relates to political accountability. I was a Minister for 12 of the 13 years of the previous Government and not once did I hold a job for more than a couple of years. I was the longest-serving Minister with responsibility for prisons and probation in the history of the Labour Government — I served for two years and one month. I had to pick up, learn about, develop and manage projects that had started before I was in the post and carried on after I left to go to the Home Office. As well as accountability for civil servants, it is important that we have accountability for Ministers. The motion would ensure that Ministers who make agreements and accept recommendations report back to the House on what they have done. I hope they will have longer in office so that they can see projects through from start to finish. They would thus remain personally accountable and, on behalf of the House, they could hold civil servants to account, too.

I commend the motion to the House, and I look forward to hearing the Minister. I thank Members on both sides of the House for their contributions.

5.40 pm

The Exchequer Secretary to the Treasury (Mr David Gauke): I am standing in for my hon. Friend the Economic Secretary, who has been called away due to family illness. She would have wanted the opportunity to take part in an interesting and wide-ranging debate.

I, too, congratulate the right hon. Member for Barking (Margaret Hodge) on her election as the PAC Chair. As we have heard, and as the right hon. Member for Delyn (Mr Hanson) pointed out, she clearly has the support of her Committee. She demonstrates the long tradition of the PAC in ensuring value for money and I am sure she will be determined in pursuing that aim. As she rightly says, when we face challenges in the public finances, the issue is more important than ever. As a Treasury Minister, I fully support the right hon. Lady in her determination to seek value for money.

I pay tribute to my hon. Friend the Member for Gainsborough (Mr Leigh) who chaired the Committee with such distinction over two consecutive Sessions. The Committee grew under his chairmanship, and he brought in a number of innovations that will stand the test of time.

I recognise the contributions of new members of the PAC, both to the debate today and to the work of the Committee more generally. We heard from the right hon. Member for Stirling (Mrs McGuire), the hon. Member for Walthamstow (Dr Creasy) and my hon. Friends the Members for North East Cambridgeshire (Stephen Barclay), for Thurrock (Jackie Doyle-Price), for Stockton South (James Wharton), for Orpington (Joseph Johnson) and for Redcar (Ian Swales). They have all demonstrated their commitment to the PAC — some by missing the office party, which surely goes beyond the call of duty.

Everyone has been impressed by how quickly the Committee has moved. The new Committee set about its work with hearings just a few days after it was reconstituted. That is a clear demonstration of the importance of the Committee's work, and shows that value for money is a key consideration for all parts of Parliament.

We heard from the right hon. Member for Barking that she is the first woman to chair the PAC. She is also its first elected Chair. I believe I am the first Treasury Minister of a coalition Government to respond to a

[Mr David Gauke]

PAC debate. Perhaps that demonstrates that in the PAC, as in the Government, Members from different parties can work together to ensure that we serve our country well.

Data collection was one of the issues raised by the right hon. Lady. She highlighted the fact that far more information is made publicly available and she was concerned that it might be at the expense of the analysis that is needed, whether at governmental or parliamentary level. The intention is that the information should complement ongoing work. We want information disseminated to as many people as possible, allowing citizens to hold the Executive to account. Many people will have an interest in detailed or local data that the House may not have the time or energy to scrutinise in depth. That is not a criticism of the PAC, which clearly has enormous energy. None the less, it is right that people outside the House can explore the issues and make sure that their voices are heard and taken into account by decision makers. I hope that will complement the excellent work undertaken by the PAC.

I fully recognise the Committee's concerns, set out in the motion, that Departments should implement agreed Committee recommendations. As I understand it, some 90% of Committee recommendations are accepted by Governments of whatever colour. That shows the value added by the work of the PAC and its ability to identify where improvements need to be made. The Committee knows that Departments already have to give accounts in their annual reports on whether they accept or reject Committee recommendations, and the Treasury enforces that requirement quite strictly because we take the Committee's recommendations very seriously and we are pleased to accept them in the majority of cases. However, I understand the point made in the motion that the Committee feels that more could be done to ensure that Departments implement in a timely way those recommendations that they have accepted.

The Treasury and Departments already view the implementation of Committee recommendations seriously; moreover, the National Audit Office already carries out follow-up studies, in part to check progress in implementing Committee recommendations, and those reports are placed before the Committee. In those circumstances, accounting officers have to account directly to the Committee on why agreed recommendations have not been implemented. It is also important to remember that there will be some circumstances in which it simply is not possible to implement all agreed recommendations within a year of acceptance.

However, I think it is a sensible principle that Ministers should make written statements to the House on any recommendations that have been accepted and not implemented within a year of acceptance, and the Government are pleased to support the motion because that is a useful addition to our accountability. There will of course be a need to look carefully at exactly how we can implement that; there is some discussion as to quite how many written ministerial statements will be necessary as a consequence, but I think it is a helpful principle and we would support the motion.

Very many issues have been raised in the debate and I shall not attempt to address them all, but I noticed that two themes emerged in many speeches. The first was the issue of capability—the ability of Government Departments to deliver big projects, and to cope with many of the issues that they face. Hon. Members will be aware that the Government have established the Efficiency and Reform Group, in which the Cabinet Office and the Treasury work very closely together. The intention of that group is to strengthen capability—to strengthen the expertise that is available in these key projects, to ensure that the right skilled staff are there. We hope that will address many concerns. As many hon. Members said, it is particularly important to strengthen the financial capability of Departments. We as a Government believe that the role of the financial director of any Department should be respected and should be a very significant role in any Department.

The second theme that emerged repeatedly was accountability. We heard examples of difficulties that arose because senior reporting officers moved on too quickly. That is a very fair point. It is absolutely right that we ensure that there is proper accountability for spending when spending is devolved to local communities and organisations, and we must be alive to the issues there. In the context of the Ministry of Defence and aircraft carriers, an issue was raised about the role of the accounting officer. I agree with those hon. Members who say that it is part of each accounting officer's duty to respect the financial limits within which his or her Department operates, and we should expect that to happen.

Many detailed issues have been raised in the debate and there is not time for me to address them all, but I thank Members for conducting such a wide-ranging and interesting debate. We have covered plenty of topics and I look forward to seeing how the Public Accounts Committee develops under the chairmanship of the right hon. Member for Barking. I wish her and her Committee well for the future, and I look forward to working with hon. Members to deliver value for money throughout Government expenditure.

5.49 pm

Margaret Hodge: I had the opportunity at the start of this debate to say a lot, so I shall say very little now.

First, I am very grateful to the Government for agreeing to the terms of the motion before us. I simply draw to their attention the fact that there should be no need for any written ministerial statements if every Department responds properly to the recommendations to which they have agreed and implements them. We hope that the device will empower action rather than lead to further ministerial statements.

Secondly, I warmly and genuinely thank all the members of my Committee. The hard work of all my colleagues has led to the rather good reports—I think—that we now put out. We are a team, not an individual, and the quality of our reports reflects the brilliance of that team—all of us who are Committee members. My thanks also go to the National Audit Office, because its work is of an extremely good quality.

In respect of civil servants, on the whole we do not want to criticise what the Government do; we want to celebrate success wherever we can. We just wish that we were able to do so more often. I know from my time in government, as do other former Ministers, that there are a lot of dedicated and very able civil servants, and the question is just one of whether we can get the work going beyond that.

Finally, our Committee's work is important. Last night, after our evidence session with the Ministry of Defence, I went out for dinner and just happened to talk about what we found. Totting up the amount of money wasted, I noted that £3.7 billion was binned because we cancelled Nimrod; £1 billion was mostly binned because we cancelled Sentinel; £1.56 billion was wasted because we delayed the aircraft carrier; and £2.3 billion was wasted because we ordered Typhoon aircraft that we do not want.

That shows the importance of the vigilance that we intend to continue to have over how the Government spend their money. We cannot afford to waste it, because we need it too much, particularly in the current circumstances, so we look forward to working with the Government to ensure value.

I wish everybody a happy Christmas.

Question put and agreed to.

Resolved,

That this House calls on the Government to ensure that all recommendations contained in Reports of the Committee of Public Accounts and accepted by Government Departments are implemented and that the relevant Minister makes a statement to the House on any recommendations accepted but not implemented within a year of their acceptance.

Business without Debate

SITTINGS OF THE HOUSE

Ordered,

That, on Tuesday 21 December 2010, the House shall meet at 11.30 am and references to specific times in the Standing Orders of this House shall apply as if that day were a Wednesday.—*(Miss Chloe Smith.)*

Football Governance

Motion made, and Question proposed, That this House do now adjourn.—*(Miss Chloe Smith.)*

5.52 pm

John Mann (Bassetlaw) (Lab): I rise to speak in an Adjournment debate that the Speaker has kindly granted me on football governance and what the Government can and should do about it.

If one were to ask about the crisis in English football, one would anticipate that, at the top of football's establishment, facts and figures would pour forth to demonstrate that English football, under the premier league, is one our prime exports, that receipts and revenues have exponentially expanded over the years and that things are growing healthier and going better than ever.

Last Tuesday, a unique—but, I fear, not for long unique—football match took place near my constituency. It would have been in my constituency if one of the teams in a rearranged FA trophy match, Worksop Town, had a stadium or, even, a pitch, but it does not, because the fourth oldest football club in the world has been locked out of its stadium by the owner for some years and exiled to rented stadiums elsewhere throughout England.

Unusually, however, the match was also a major derby, because not for many decades have Worksop Town played near rivals Mansfield Town. Many leagues have separated the two but, by luck, the FA trophy brought them together. There were snowy conditions, but the match could not be switched to Mansfield, because Mansfield Town has also been locked out of its stadium by its previous owner and landlord. The match therefore took place in Ilkeston, which is the same Ilkeston where the football club has recently been liquidated. So, two teams played a match in the grounds of a club that has been liquidated and that some people are trying to reform. I shall not waste the House's time by giving the result. In that match, there were, uniquely, two teams that were both without a ground, with 250 years of history between them. That demonstrates the true crisis underlying English football.

I will just make one comment on the recent FA bid for the World cup—I will not attempt to draw the Minister into such a small distraction. Suffice it to say that there is a 23-member committee and if one country has a member on that committee and it ends up with just two votes when there are two decisions, there is something very wrong indeed. Politicians know the dynamics of committees and decision making, so hon. Members will appreciate and understand the negotiating hand available to anyone with a vote within such a system.

Now is the time to start changing English football. The impetus and imperative is not the much-publicised World cup bid and its failure, but the less well publicised uniqueness of Worksop Town versus Mansfield Town and where that match was played and could have been played last Tuesday. Both teams' owners could have put out any football team they had bought on to those two grounds because no one has deemed them not to be fit and proper persons for the governance of English football.

[John Mann]

A second issue that has not been explored is how we are seen across the world, particularly in Europe. Some 60% of European football debt is in English football. I have heard such a theme before, although not quite in relation to those figures. We call it the financial crisis—the big banks. Before Lehman Brothers collapsed, no one had said that banks in this country could collapse. However, the Royal Bank of Scotland, Lloyds, HBOS and other smaller entities were on the verge of collapse and there had to be major Government intervention that involved huge amounts of taxpayers' money. Those banks were ever onward and upwards. They were taking risks, leveraging and presuming that growth would be for ever. No one really questioned in advance whether such a situation was sustainable.

In English football, there has been a similar boom to that experienced by the banks. It is contemporaneous—perhaps not coincidentally contemporaneous—that there is a risk that the English football boom will turn to bust, and that we will see major forced restructuring when something significant happens. The banks have a term for what happened: toxic debt. Much of the money lent to English football is exactly that—toxic debt. In other words, it is money that the banks cannot rationally hope they will get back.

The contrast to English football is the German Bundesliga. With its good governance law, the Bundesliga is in profit. Indeed, if a Bundesliga club is not in profit, according to the rules, it will automatically be relegated. The Swedish league is in profit. There are many models of football bodies that have reorganised their governance, but in terms of the competitive advantage that our clubs perceive that we have on the European stage, the German one, in particular, will come back to haunt us.

6 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn. *(Miss Chloe Smith.)*

John Mann: Perhaps we should be looking at the German model of football refinancing itself. I suggest to the Minister that we should consider how people were persuaded to change the rules of football governance through the German football association.

Mr David Lammy (Tottenham) (Lab): Is my hon. Friend as concerned as I am about the rumours on the internet that a Qatari consortium is planning to buy Tottenham Hotspur football club? This is apparently to do with a decision to leave the poorest ward in London and move across London to Stratford. Is he concerned that Manchester United or Liverpool FC might fancy moving down to London to increase their shareholder profits? Does he think that community and history should stand alongside the big business that is taking over football?

John Mann: In 1923, Tottenham Hotspur famously bribed Worksop Town to replay a match two days after its initial historic 0-0 draw, allegedly providing copious amounts of beer to disable the team, which unfortunately then had a rather heavy defeat.

My right hon. Friend makes a very important point from which two issues emanate. First, who owns English football clubs? Are they merely chattels to be bought and sold, as we have seen, but, more dangerously, to be moved across London or across the country, as we saw with AFC Wimbledon, or indeed to be moved across the world, be it for the 39th match or the entire club? That is a scenario that I foresee in 10 years' time. Who knows what will happen? Football clubs are free to make their decisions. However, community responsibility is involved. Good governance should instruct that the FA, at the top of the pyramid, ensures, in terms of its rules and their use, that good community relations, community development and community inspiration are key.

Secondly, it is rather outrageous that the football world has not stood as one behind the athletics world regarding a football club using the Olympic stadium as part of the legacy. It would be very good for a high-level football club to use that superb stadium. But when we have the best athletic stadium in the world, it would be outrageous for the football world to think it acceptable that it will be just for football, not athletics, so that we would not be able to host and win the 2015 world athletics championships because we do not have a stadium. The Minister can have some influence on that.

Mr Lammy: Does my hon. Friend remember the video with which we won the Olympics, with the faces of young Londoners, many of them black, and the dream of athletics that is now apparently to be ditched in favour of big business? Will he, like me, continue to remind the House and the Government of that responsibility?

John Mann: Worksop Town and Retford United, the two semi-professional clubs in my area, do not compete quite on the levels of Tottenham Hotspur, but their communities' views are the same. We want our clubs in our communities. At our rather modest level, we expect those governing English football to give us every assistance in having rules that they implement to ensure that we are not simply chattels to be moved around. It can be as big as the Tottenham Hotspurs, or as small as the Worksop Towns or smaller still, but we have a right to expect that the history, the tradition and the communities who have funded these organisations should not be cast aside because someone has some developmental idea of making more profits out of that institution by shifting it, be it elsewhere in London, into the Olympic stadium, to the far east, or wherever else. That will be an increasing risk in English football. Similarly, the bubble of television rights might burst. I shall say a little on that in a minute.

I return to my analogy of the banks, because it is a relevant one. Football debt is toxic debt. The risk taking of the banks was predicated on a model of permanent growth. They offset and hedged tomorrow's income and used it for today's expenditure. Football has got into precisely the same mindset. The premier league is rightly proud of its success, its export potential and the tax revenue that it brings into this country, but so were the banks. The premier league thinks that there will be permanent growth. A simple change to the European Commission's rules on the bundling of football rights could prick the bubble and send some clubs out of

business, because the money would be pulled back by the banks, as their shareholders would expect. Those are the risks that football is taking.

The Deloitte report is rather expensive, but luckily it is available free to Members through the Library. Because of the risk of great personal expense, the copy that I borrowed is being returned at this very moment. According to the 2008-09 figures in that report, of the 44 premier league and championship clubs, only eight had a pre-tax profit, a majority did not have net positive assets and only two had no debt. That is extraordinary considering the growth and success in revenues. However, that has been increasingly squeezed out by players' wages and agents' fees. Teams compete to buy big-name players and more expensive players because of supporter demand. That is not a sustainable business model. Even building a club's brand as an investment is not sustainable with that amount of leveraged debt. The bubble will burst and it is about time we started to say so. Will it be next year, in five years or in 10 years? Who knows? However, just as with the banks, the bubble will burst and the over-exposure to debt will ripple throughout football.

We used to hear about administrations, but now we hear about liquidations. It is a new language. Clubs vanish and have to be reformed. King's Lynn football club, which was in the same league as Worksop Town, disappeared last season—bang! Gone! That meant one less club to be relegated, much to Worksop's relief. It had a regular crowd of 1,500, which I think was the highest in the Unibond North—disappeared, gone, vanished! Another example is Ilkeston Town. Chester City was once a great and famous club that sometimes beat the very top clubs. It had been a member of the Football League throughout most of the league's history, but then bang! Gone! It now has to be recreated right at the bottom by the supporters. Scarborough Athletic has had to move to Bridlington, which is rather ironic, to exist in any form. Of course, such clubs can come back with their supporters behind them. We would keep Retford United or Worksop Town going however low they went.

Is any of this fair and just? Fairness and justice have gone out the window as far as the FA is concerned—not in its rules, but in the application of its rules. Why should Exeter City, a club that was saved by its supporters and that has sensible balance sheets, have to compete with clubs that are borrowing money that they will not be able to pay back and that know that they may well go into administration if they do not succeed in getting promotion? More than half the football clubs in the Football League have gone into administration in the past 15 years. That has been the boom time for English football, during which we have said that we are leading the football world.

Who are the losers? No one has yet fully quantified the losses for Portsmouth, for example, but it would not surprise me if the losses—not to the football world, nor even to the Exchequer, but to local businesses in Portsmouth—were in the order of £4 million. One remembers that horrendous time when a club that I first saw at the age of four and have seen thousands of times since, Leeds United, went into administration and St John Ambulance was not paid, even though it was the boom time for English football. Governance in English football is in crisis, and has been for a long time.

When there are big music concerts—the Glastonburys and the rest—the organisers pay for the policing and stewarding required. They hire stewards in large numbers. There are not thousands of police thronging around every time there is a music festival in London or anywhere else, but when there is a football match the police are there, and who pays for them? The taxpayer pays a lot of the money. We need to use leverage—if football will not put its house in order, some of us will start demanding that it pays full policing costs. Why should my police force lose out, and why should I have football clubs in my area that are not able to play in their own stadiums because of the weakness of the application of football's own rules? That is not sustainable in the political world, and it is not sustainable for my constituents.

Mr Lammy: Will my hon. Friend give way?

John Mann: Sorry, I should make some progress.

There is an inquiry into the matter by the Select Committee on Culture, Media and Sport, and I hope that the Committee will consider a few matters. It ought to consider the chocolate question: Cadbury and Rowntree's, once great British institutions—gone. Should that be allowed to happen in English football, as it did in the car industry, as you know very well, Mr Deputy Speaker? It should consider whether the UEFA fair play league, an excellent initiative, should be part of the root-and-branch reform of English football.

I should also like the Committee to examine in detail the question of Leeds United, not to pick on Mr Ken Bates specifically—I do not particularly care about his arrangements and motives for having the club owned offshore—but to see what the football authorities have done and who owns Leeds United. That is a legitimate question for the Committee to take detailed evidence on, not to attack Mr Bates or the club but to explore the processes behind it. We need to know why the FA and the Football League have been unable to answer questions about the matter.

We need to know whether Mr Ali al-Faraj, once owner of Portsmouth, actually exists. That would be a good question for the Culture, Media and Sport Committee to ask. If he does, by what process was that man, who some claim does not even exist, deemed a fit and proper person to own a premier league football club, and who is he? The process by which football leaders asked and answered that question should be part of the inquiry, and I am sure it will be. I am sure the Committee will also examine why there are not currently three non-executive directors appointed to the FA, and how long it will take for that to happen.

It may sound as though I am attacking the big names, the brands. I am not. Frankly, it is a free market and they can do what they want, as they have done and will continue to do. I am attacking the governance of English football. If the big brands disappear abroad to a European super league, or go to play a 39th game or locate themselves in China or wherever else in the far east, that will be their choice and their loss. I want to ensure that the structure of English football means that the teams in my constituency can play at their own grounds and not be thrown off them. I want the Worksops, the Mansfields, the Ilkestons and the Chesters, as well as clubs higher up, to exist in the future.

[John Mann]

I think that the FA is somewhat terrified of the figures in the premier league. The Minister ought to strengthen the FA's resolve by asking it the difficult questions and forcing its hand. Where are the black managers in English football? Where are the Muslim and Jewish players? Where are the women at the heart of the FA? No other sport would tolerate unfit, improper persons in the ownership of clubs. Football, uniquely, wearisomely and supinely, does so. Why are the rules not applied? In Spain, there is a law on transparency, and in France the law gives people the ability to open the books. I have mentioned the situation in Germany already.

As well as leverage over the European Commission and thus Sky's packaging and bundling of football, the Government have leverage over the FA. They give the FA an awful lot of money. A new chairman is about to be independently appointed. I say to him or her—that would be a turn-up for the books—that they have to use the powers they have already and reject the pressures from the premier league when the premier league conflicts with the FA, because we cannot justify taxpayer support for football if football cannot sort out the absurdities of last Wednesday, when Mansfield and Worksop were locked out of their grounds by the club owners.

I trust and hope that the Minister will use his leverage—his influence—to ensure that our national game survives at every level, and that we force good governance on the FA. Every change in English football has been forced on the FA, and the Minister must use his leverage to ensure that it gets its act together and runs English football properly, as it should be run.

6.16 pm

The Minister for Sport and the Olympics (Hugh Robertson): I congratulate the hon. Member for Bassetlaw (John Mann) on securing this debate and on how he presented the case for reform in football, which is a powerful case. He asked a number of questions, which I shall attempt to answer in a minute. Before I do so, it is worth placing on the record exactly why football is important to the Government, and thus why reform is so necessary.

Football is our national game. More people play and follow it than any other sport. Events such as the World cup and European championships and the key domestic football fixtures command the attention of many millions of people up and down the country. Every single constituency has a football club in it, and many, including the hon. Gentleman's, have a large number of clubs.

The hon. Gentleman alluded to the fact that the Government directly contribute to the financial running of the game through the whole sport plans, which we managed to protect through the comprehensive spending review, and through the Football Foundation. Indeed, funding to the grass roots was preserved as part of the CSR. Finally, as he touched on towards the end of his speech, Governments of all persuasions have supported initiatives such as Supporters Direct and the Kick It Out campaign, which goes to the heart of the black and minority ethnic issues that he mentioned. If I can give him any comfort on those, I spoke at a Kick It Out reception earlier this week. I am absolutely determined that the lamentable record of English football in that regard will be addressed—no ifs or buts. Football will continue to be important to the Government and the House.

Let me try to answer some of the questions he posed in his speech. He rightly said that there was something very wrong indeed when England could get only two votes apart from the one it commanded out of the 22 on offer for our World cup bid. Indeed, it remains a sad and sorry fact of that whole bid that our technical evaluation was the best of any of the bid teams. By common consent, we produced the best presentation on the day, but we then got the lowest number of votes. That tells us a number of things, principal among which might be that we simply aimed at the wrong target. We presented to FIFA a strong and compelling case for hosting its World cup, but it was in fact looking for a new frontier for football and a global political statement. All sorts of rumours are swirling around the bid, but that essential truth lies at our failure to land it.

The hon. Gentleman's second question was on financial mismanagement. He rightly paid tribute to the German leagues, which are in profit. It is absolutely right that we look at the example of the German leagues. I gather that the Culture, Media and Sport Committee, as part of its investigation, is going to Germany to examine precisely that. Having said that, we have to acknowledge that the German league started from a slightly different position to the one we are in. We know that the current system needs reforming, but the question is about how we get from where we are now to where we want to be.

The hon. Gentleman's third point was about the Olympic stadium. I have probably had a lucky escape, because the right hon. Member for Tottenham (Mr Lammy) has now left the Chamber. The hon. Member for Bassetlaw asked why the football family has not fallen in behind the athletics use of the stadium. I suspect that the honest answer is that two competing clubs that are part of its family are playing off against each other for the use of the stadium. Even though I am safe—speaking at the Dispatch Box—from being sued, I should simply say that a process is in place that will come to a conclusion in early January, when I hope that a preferred bidder will be announced. We have all been advised by the lawyers not to get involved in that process, so if he will forgive me, I will leave that one alone, although we should have an answer by the beginning of January. I can reassure him that the commitment to leave an athletics legacy after London 2012 was one we made to the International Olympic Committee, and I suspect that it was a crucial part in delivering to us London 2012. From my point of view at least, it is a commitment that will be met.

The hon. Gentleman asked about why the level of debt is so high. Debt, in itself, is not always—although it often is—a bad thing. The key thing is the relationship between debt and revenue. The premier league has made some welcome introductions and tightened up its rules this year, as too has the Football League. However, I agree entirely that there is a great deal more to be done, and I will come now to how we might tackle that.

The hon. Gentleman's next question was about the Select Committee report and the investigation it is about to undertake in the new year. He asked whether the fit and proper person test would be examined as part of that investigation. I hope it will be. It was

originally the Government's intention to take up the cudgels over football governance and reform as soon as the World cup bid was over. We were advised not to do that before, because of the interrelation between Government interference and how the international regulators look at the world of football. We were set to do that, however, and the Select Committee then announced that it wished to conduct an investigation into it. Out of respect to the House and its Select Committees, it is much better that we allow it to do that, rather than set out another investigation alongside it. Of course, that will have the advantage of allowing hon. Members from both sides of the House to contribute to the Select Committee investigation, which will allow, on a cross-party basis, many of these issues to be examined.

The hon. Gentleman asked about the relationship between the FA and the premier league and why the governance of the FA is so poor. I want to make it clear that we have said to the FA all along that we support the Burns proposals and that ideally it should have a fully independent chairman. If, in order to get the very best person to provide the sense of leadership and direction that the governing body of our national game needs, it feels that it cannot meet the one-year independence rule, as far as I am concerned, that is fair enough. I want it to have the best possible person, and I do not want it to be hamstrung. However, if it chooses somebody who is not independent by that definition, it will remain our intention to ensure, as the hon. Gentleman said, that it has a considerable number of non-executives on its board. We have said two. If it was to go further than that, I would be delighted. As he said, the relationship between the FA and the premier league—one the representative of the premier league, which is this country's most successful sporting export, and the other our national game's national governing body—is crucial, and if one is weakened irretrievably, it damages the relationship beyond repair.

The hon. Gentleman's final question was about the use of Government money. He will have guessed from what I am saying that we are keen to advance this agenda. For the moment, however, I am happy to let the Select Committee have its say. I undertake to him and the House to take extremely seriously the Committee's report, and if necessary we will use all the tools at our disposal, which would include the use of Government money. The only caveat I would make is that, given that the public money goes to the whole sport plan and the Football Foundation, the danger, if we activate that lever, is that we simply hurt the grass roots of the game, rather than targeting our action where we believe it is needed.

With that, I shall finish where I started and thank the hon. Gentleman for his contribution and congratulate him on securing this debate. This will be my last appearance at the Dispatch Box this year, so I wish everybody a very happy Christmas and new year.

Question put and agreed to.

6.25 pm

House adjourned.

House of Commons

Monday 20 December 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION

The Secretary of State was asked

Vocational Education

1. **Guy Opperman** (Hexham) (Con): What recent representations he has received on the objectives of vocational education; and if he will make a statement. [31422]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): The Secretary of State for Education has asked Professor Alison Wolf to carry out a review of vocational education. I am working closely with her on the development of vocational learning. Professor Wolf's public call for evidence promoted a large number of submissions, and she will report in spring 2011.

Guy Opperman: My head teacher at the Prudhoe community high school makes the point that rural areas such as south Northumberland are at a huge disadvantage given that their transport costs, travel times and poor infrastructure seem to be tailored to an urban model. Will rural areas get a voice in future, and will a member of the ministerial team meet the head teachers from my region in the spring?

Mr Hayes: As I am sure my hon. Friend may have anticipated, I will be delighted to meet him and the representatives of those organisations. We are absolutely clear there should be a vocational pathway that is as rigorous and accessible as the academic route, and it should be available to people in rural areas, which is why I am particularly conscious of transport and other issues that might inhibit that.

Chris Leslie (Nottingham East) (Lab/Co-op): How can we see more young people in vocational education if the Minister is taking the axe to the education maintenance allowances, 4,000 of which were paid to people in my city of Nottingham? When the Education Secretary told *The Guardian* on 2 March this year that he would not be scrapping EMAs, should they not have taken that statement at face value?

Mr Hayes: Of course, I know Nottingham very well—rather better, I might say, than the hon. Gentleman. *[Interruption.]* No, I do not say that in anything other than the kindest possible way. As a result however, I am well aware of some of the issues associated with disadvantage in that city. Might I suggest that the hon. Gentleman read the work of the late Ken Coates, "Poverty: The Forgotten Englishmen", a definitive study of poverty in St Ann's, Nottingham? We will fight to preserve the interests of disadvantaged people, for that is our mission.

Education Maintenance Allowance

3. **Shabana Mahmood** (Birmingham, Ladywood) (Lab): What assessment he has made of the effect on post-16 participation rates of replacing the education maintenance allowance. [31424]

7. **Bridget Phillipson** (Houghton and Sunderland South) (Lab): What assessment he has made of the effect on post-16 participation rates of replacing the education maintenance allowance. [31428]

The Secretary of State for Education (Michael Gove): May I take this opportunity to wish you, Mr Speaker, and every Member of the House the compliments of the season and a very happy Christmas? As we all know, Christmas is a season of unexpected largesse when Members will find gifts of all shapes and sizes suddenly descending into their laps from all quarters. In that respect, Mr Speaker, may I also say that I hope you, like every Member, has the chance to enjoy a well-filled stocking this Christmas time? *[Interruption.]* It is a tradition of this time.

Chris Bryant (Rhondda) (Lab): Behind you!

Michael Gove: Behind me there are many Members who support our position on EMA and they, like me, are committed to making sure that young people participate in education and training until they are 18. Therefore, we will replace EMA with a fund that can more effectively target those young people who actually need the support to enable them to participate in learning.

Shabana Mahmood: My constituency has the highest unemployment rate in the country. In order to reverse that, young people in Birmingham, Ladywood need to stay on post-16, to gain skills and qualifications to enable them to find work. EMA is vital in that. At City college in my constituency, 68% of students receive EMA, and they tell me that scrapping it will have a devastating impact on students in the poorest areas, and put them off staying on. Why are the Government kicking the ladder from under the feet of young people trying to get on?

Michael Gove: I am very grateful to the hon. Lady; she makes her point with characteristic passion and her question is, typically, well informed. At a time when, as the former Chief Secretary to the Treasury said, "There is no money left", we have to ensure that every penny we spend is targeted on those most in need. I am sure that the hon. Lady agrees that it is important that policy is based on evidence, and the evidence suggests that some who are in receipt of EMA would continue in education without it. Therefore, we are going to make sure that the

money we have is targeted more effectively on those who need it most, and more details will become apparent in the new year.

Bridget Phillipson: On the issue of evidence, the independent Institute for Fiscal Studies has said that the economic benefits of EMA will outweigh its costs; the money put in delivers results in the long term. Will the Secretary of State ensure that the replacement scheme for EMA is just as cost-effective?

Michael Gove: I am very grateful to the hon. Lady for her question, which is also characteristically well informed. I have great respect for the IFS, and it has previously reported that there is no statistically significant information that EMA has either raised the attainment of young women or increased participation rates among young men. We will ensure, however, that the replacement is sufficiently well targeted to ensure that it provides value for money. I must stress that it is in everyone's interests that more young people stay on in education for longer.

Paul Maynard (Blackpool North and Cleveleys) (Con): Does the Secretary of State agree that where discretionary spending to help students participate in full-time education is available, it should be focused on specific barriers that they face, rather than be a one-off, tokenistic payment that might not actually meet the needs of, for instance, many disabled students for whom participating in education will cost far more than £30 a week?

Michael Gove: I am very grateful to my hon. Friend for making that point, and I thought it uncharacteristically discourteous of Labour Members not to listen to him in silence. As the only Member of this House to have attended a special school, he speaks with a degree of authority that Labour Members would do well to pay attention to. He makes the point crystal clear: we need to ensure that there is sufficient discretionary support for students who are living with handicaps and who have suffered from disability. I am only sorry that Labour Members saw fit to greet his comments with the sort of grumbling and mumbling more appropriate to a student union than the mother of Parliaments.

Margot James (Stourbridge) (Con): I agree with the Secretary of State that the money paid as part of EMA should be much better targeted. The current arrangements for the learner support fund exclude payments for travel, so can he assure me that travel costs will be considered a legitimate part of the future discretionary learner support fund?

Michael Gove: My hon. Friend makes a very good point, describing one of the reasons for reviewing the travel entitlement for all students and learners. We want to make sure that any support we provide is to overcome barriers, which include travel to work costs, as well as paying for rent, subsistence or the supply of textbooks and other materials that are needed. It was striking that during the Labour leadership election the right hon. Member for Leigh (Andy Burnham) said that he would be happy to see EMA go if it were replaced by an allowance for travel, so there is a consensus that the current system is capable of reform. It is one that unites the two Front-Bench teams, even if it does not embrace everyone in the House.

Andy Burnham (Leigh) (Lab): I start by reciprocating on behalf of the Opposition Front-Bench team the good wishes of Government Front Benchers, including the Secretary of State. We are grateful for the gift that he has delivered to us today, although I cannot promise that the good will is going to last for this entire Question Time.

I would like to treat the House to the full quotation referred to by my hon. Friend the Member for Nottingham East (Chris Leslie) a moment ago:

> "Ed Balls keeps saying that we are committed to scrapping the EMA. I have never said this. We won't."

Will the Secretary of State today apologise to the 600,000 young people who receive EMA and who took him at his word?

Michael Gove: I am grateful for the generous seasonal words offered by the right hon. Gentleman, but when it comes to apologies, it is those of us on the Government Benches who are waiting for an apology from him and from all his colleagues who were in government. When he says that we should spend money on this, that or the next thing, one thing is never acknowledged: his and his colleagues' responsibility for the dire economic mess in which we were left. As a result of forming the coalition Government, two parties are working together to get us out of the mess that his party left us in. May I suggest that he gives us all a Christmas present: a single act of contrition? He should give us a single word for the economic mess that he created: sorry.

Andy Burnham: When we hear bluster like that, we see a pattern repeating itself. It is school sport all over again: a bad decision with dodgy statistics to justify it. Let us take the Secretary of State's only argument against EMA head on: the 90% deadweight. On the Government's own figures, because of EMA 76,000 young people stay on who might otherwise have become NEETs—those not in education, employment or training. Research for the Audit Commission puts the annual cost of a young person not in education, employment or training at £55,000, and 76,000 times £55,000 is more than £4 billion. Do these figures not demolish the Government's last remaining argument against EMA and show that the IFS is right to say that EMA more than pays for itself?

Michael Gove: I am grateful for that display of mental arithmetic, which means that Carol Vorderman's place on Countdown can easily be succeeded by the right hon. Gentleman. *[Interruption.]* It is time to bring it back, if only to provide him with a platform equal to his talents. The truth is that only 12% of young people who are eligible for EMA say that they would not participate without it. We need to ensure that money is better targeted on those who need it most. His Government commissioned the National Foundation for Educational Research to conduct a survey on who was receiving support and who should receive support to stay in learning. That report, commissioned by his Government, pointed out that it would be beneficial better to target financial support at the most vulnerable groups—that was the case made by my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard). The right hon. Gentleman's own Government's research points out that this money is spent inefficiently. Of course it

was spent inefficiently under his rule, but this coalition Government will ensure that the money available for 16 to 18-year-olds is targeted at those who need it most, so that those in the poorest circumstances get more.

Andy Burnham: I have seen enough of the right hon. Gentleman in action to know that weak jokes clearly mean he is in trouble. I think we can now safely give him his end-of-year report card. On Building Schools for the Future, school sports and now the education maintenance allowance he has shown poor attention to detail and a failure to do his homework. On the big decisions, things that people care about, he is cavalier—

Mr Speaker: Order. The right hon. Gentleman will resume his seat. This is Question Time. We must have short questions and short answers, so may I ask the right hon. Gentleman to conclude his question?

Andy Burnham: Let me quote briefly from the Secretary of State's White Paper. It states:

"No-one is helped when poor performance remains unaddressed."

Will he make a new year's resolution today to live by the same exacting standards as he expects schools to apply to their teachers?

Michael Gove: I am afraid that that performance fell below even the right hon. Gentleman's flawed standards. The truth is that the shadow Education Secretary needs to learn that, instead of simply providing a draft of an op-ed piece as a question, he needs to come up with policies that will convince people that he has learned the lesson of his Government's defeat. He cannot simply say that the answer to every problem is more money. He cannot simply say, as he said during the leadership election, that he wants

"closer ties to the trade union movement"

at the same time as that trade union movement is calling for an all-out assault against this Government. He cannot consistently move to the left, opportunistically—

Mr Speaker: Order. The Secretary of State will resume his seat. That response—I use the word response, rather than answer, advisedly—has nothing to do with the subject matter on the Order Paper.

Science and Maths A-levels

4. **Dr Thérèse Coffey** (Suffolk Coastal) (Con): What plans he has to review the curriculum for science and mathematics A-levels. [31425]

The Minister of State, Department for Education (Mr Nick Gibb): We will ensure that A-levels assess the knowledge that universities demand from candidates. We have asked the regulator, Ofqual, to examine how to ensure that re-sits and modularity are not damaging in-depth study and we are working with it to develop a process for involving universities and learned societies in the design and development of A-levels, which commands wide support. Mathematics and science A-levels will be reviewed through the new arrangements in due course.

Dr Thérèse Coffey: I thank my hon. Friend for that answer. I am sure that he shares my concern that we have slipped down the international competitiveness ratings for educational attainment, especially in maths and science. My personal experience of A-levels and my more recent experience of speaking to examiners show that the number of topics that students have to cover to get exactly the same A-level has contracted. That is a worrying trend; will my hon. Friend look into it with Ofqual?

Mr Gibb: My hon. Friend is right to raise those concerns. That is why it is so important to involve universities and learned societies in A-level development and to ensure that qualifications in this country are on a par with those in the highest performing jurisdictions in the world. That is why we have asked Ofqual to review the impact of the recent changes to A-levels, to which my hon. Friend referred. We are talking to universities about how we can ensure their effective involvement in determining the knowledge and aptitude expected in A-levels, not only in science subjects and maths but in other academic subjects, too.

Tristram Hunt (Stoke-on-Trent Central) (Lab): We welcome the review of the science and maths curriculum, but why are this Government so obsessed with science, technology, engineering and maths—the STEM subjects? Will this Government's war on the humanities in the universities not affect the balance of teaching in our schools? Why are this Government quite so philistine?

Mr Gibb: I think that that is an unnecessary comment. We have made it very clear—my right hon. Friend the Secretary of State is on record countless times talking about the importance of history, and I have talked about the importance of geography. The international baccalaureate, which we have introduced, sets out a key minimum that we expect schools to teach: English, maths, a modern foreign language and history or geography as a humanity. That demonstrates the importance that we attach not only to STEM subjects but to the humanities.

Esther McVey (Wirral West) (Con): The Institution of Mechanical Engineers has produced a report noting that broad choices about STEM subjects are taken between the ages of 11 and 14. I agree with looking at A-level science subjects, but should we not concentrate particularly on helping younger children progress into science and maths?

Mr Gibb: My hon. Friend is absolutely right and it is disappointing that too few young people study the three separate sciences—biology, chemistry and physics—through to GCSE. That is why we have introduced the concept of an English baccalaureate: to encourage a broad range of academic subjects to be taught and taken up to the age of 16, particularly in maths and the other STEM subjects.

Child Care

5. **Phil Wilson** (Sedgefield) (Lab): What plans he has to ensure the availability of high-quality, affordable child care in all areas. [31426]

The Minister of State, Department for Education (Sarah Teather): Local authorities have statutory duties to secure sufficient child care for working parents and to assess child care provision in their area. They also

have a duty to secure 15 hours a week of free nursery education for 38 weeks per year for all three and four-year-olds. Statutory guidance requires local authorities to take into account the quality, flexibility and accessibility of places and the range of provision available to meet the needs of parents.

Phil Wilson: What assessment has the Minister made of the effects of removing the requirement from Sure Start children's centres to provide child care?

Sarah Teather: That has not happened. What has been removed is the requirement to provide full day-care services in the most disadvantaged areas. We have done that because early-years providers have consistently told us that in some areas the demand is not there. When that happens, children's centres find that they have to subsidise child care, or at least empty places, at the expense of providing early-intervention programmes that might have made a real difference for those families. This is simply about providing flexibility. In areas where demand continues, I would expect local authorities to want their children's centres to go on providing that service, but where the demand is not there, it does not make sense to divert money that could be better spent.

Kevin Brennan (Cardiff West) (Lab): *The Independent* on 5 May quoted the Deputy Prime Minister as saying that

"Sure Start is one of the best things the last government has done and I want all these centres to stay open."

How many Sure Start children's centres does the Minister estimate will close down next year on his and her watch? And I wish her a merry Christmas.

Sarah Teather: I also wish the hon. Gentleman a merry Christmas and a happy new year.

Sure Start children's centres are at the heart of the Government's programme for early years. They are absolutely vital, and that is why we asked the hon. Member for Nottingham North (Mr Allen) to do the work on early intervention that will be coming forward in the new year. It is also why we are considering piloting payment by results—to try to make sure that local authorities have an incentive to do such work. There is a legal duty to ensure that there are sufficient children's centres available, but the hon. Gentleman will be well aware that it is for local authorities to decide. However, I have been very clear with local authorities that we expect them to look at the evidence on early intervention and to make sure that they prioritise it. I think that children's centres are an absolutely vital part of that work.

Education Maintenance Allowance

6. **Emma Reynolds** (Wolverhampton North East) (Lab): What recent discussions he has had with head teachers, teachers and governors of educational establishments on the implementation of any replacement for education maintenance allowance. [31427]

The Secretary of State for Education (Michael Gove): We are currently working with representatives of schools, colleges and training providers to finalise the arrangements for the enhanced discretionary learner support fund, including how the funding will flow from local authorities to institutions and what guidance is required to administer the fund effectively.

Emma Reynolds: I thank the Secretary of State for that answer. Some 4,000 young people in Wolverhampton benefited from the education maintenance allowance last year and, as my right hon. Friend the hon. Member for Leigh (Andy Burnham) and my hon. Friend the Member for Houghton and Sunderland South (Bridget Phillipson) have said, the Institute for Fiscal Studies demonstrates that the EMA is cost-effective. Has there been a cost-benefit analysis of the EMA's replacement and will the loss of productivity of the young people whom the replacement will fail to support be taken into account?

Michael Gove: There was a cost-benefit analysis under the previous Government of the EMA by the NFER—that is enough initials—which pointed out that it would be more beneficial and would cost less to target funds on the learners who are in the most need.

Andrew Bridgen (North West Leicestershire) (Con): This Government are to increase the compulsory age of education to 18, thereby removing the need to incentivise 16 to 18-year-olds to stay in education. Does my right hon. Friend agree that that will increase social mobility if we offer vocational and academic studies?

Michael Gove: Yes, my hon. Friend makes an impeccable point. We are committed to raising the participation age, and we have funded the raising of the participation age. The Opposition have not yet explained how they would pay for the maintenance of the EMA or any of their other spending cuts, but I look forward to hearing from hon. Members in the course of the next half hour how they would pay for their promises.

Mr David Lammy (Tottenham) (Lab): Three thousand, seven hundred and fifty-six young people have lost EMA in Tottenham, and Tottenham now has the highest unemployment in London. In light of that cut, will the Secretary of State tell the House how many apprenticeships he has delivered since May?

Michael Gove: We have secured funding for an additional 75,000 apprenticeships beyond those that the previous Government secured. As a result of that additional investment, we will be making sure that young people have a better chance than they had under the previous Government.

Children's Centres

8. **Andrea Leadsom** (South Northamptonshire) (Con): What steps his Department is taking to ensure that children's centres meet the needs of new parents. [31429]

The Minister of State, Department for Education (Sarah Teather): The early-intervention grant contains enough money to maintain the network of Sure Start children's centres so that they are accessible to all and supporting families in greatest need. Local services, including outreach, family support and health have a critical role in linking new families to centres that use

evidenced-based programmes. The Department of Health will shortly provide more detail on its plans to recruit 4,200 extra health visitors to provide increased support to all families.

Andrea Leadsom: Does my hon. Friend agree that the most profound impact on a baby's life is its earliest relationship with its parents or carers, and that the best thing that Sure Start children's centres can do is to provide support for those new parents in forming those relationships that will lead to lifelong mental health?

Sarah Teather: I absolutely agree. That is why the Government are committed to recruiting so many new health visitors. It is also why we have doubled the family nurse partnership programme, which particularly supports very young families who are vulnerable and has been shown to have a dramatic impact on child development and that bond between parents and child.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the hon. Lady agree that cutting the money provided to Sure Start children's centres can hardly be a good idea? Is it not a fact that the budget is shrinking, and that the budget for the new health visitors will come out of that for the children's centres? That means an overall decline in the amount of money.

Sarah Teather: No, that is not true. The early-intervention grant is a substantial, flexible grant that contains more than enough money to maintain the network of Sure Start children's centres. It is a deliberately flexible grant because we want local authorities to think innovatively about the way in which they link services together. I want them to use the assets that are children's centres. I want them to make sure, for example, that they are providing family support in children's centres and perhaps providing services for older children where that is appropriate. The flexible grant, which is larger than that for Sure Start, should allow them to do that.

Damian Hinds (East Hampshire) (Con): How will the work of the right hon. Member for Birkenhead (Mr Field) on the foundation years—improving life chances for disadvantaged children—help to inform my hon. Friend's approach to the early years?

Sarah Teather: The report by the right hon. Member for Birkenhead (Mr Field) is an extremely useful contribution to the debate, especially given his focus on prioritising early years, which supports the work that the Government are already doing to make sure that we are investing particularly in a free entitlement for two-year-olds, which will become statutory by 2013. We are also taking forward the work that he did on life chances indices, which will support the wider work of the Government on child poverty.

Local Government Allocations

10. **Natascha Engel** (North East Derbyshire) (Lab): What assessment he has made of the effects of local government funding allocations on services provided to schools by local authorities; and if he will make a statement. [31431]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): Schools have been protected in this spending round. The schools budget has been protected in cash terms, and in addition schools will receive the pupil premium. Funding for local authorities has been reduced, so local authorities will need to prioritise services where they have greatest effect and look at opportunities for delivering services more cost effectively, which will include working with other local authorities.

Natascha Engel: Deincourt school in my constituency was closed on the understanding that its pupils would move to the neighbouring school in Tibshelf, which was waiting for Building Schools for the Future funding to expand. Deincourt students have now arrived at Tibshelf but the BSF money, of course, has not. Tibshelf is now facing the prospect of having its services cut as a result of the local government funding settlement. What has the Minister got against Tibshelf school?

Tim Loughton: I assure the hon. Lady that neither I nor the ministerial team has anything against Tibshelf school. I remind her that Derbyshire has been allocated £91 million of capital funding support for BSF, and to date it has been paid £25 million in conventional funding for BSF, too. If there are special circumstances regarding that school, I am sure that she will make representations to the ministerial team accordingly, and that we will respond.

Mr Peter Bone (Wellingborough) (Con): When Tony Blair came to power, he said that his first three priorities were education, education, education. During the Labour Government, however, standards fell in reading, science and maths. Does the Minister agree that what counts is not the amount of money one puts in, but how it is spent?

Tim Loughton: My hon. Friend makes a very important point, which, although not just about education, is more starkly about education than anything else. Just investing money without focusing it on the quality of the outcomes does not make for a good investment, and this Government see things differently from the previous Government, who purely grandstanded on the amount of taxpayers' money that they could throw at a problem, without taking account of the quality of the outcomes for the students leaving our schools.

Kevin Brennan (Cardiff West) (Lab): It is the end of term, and if the Minister had been a pupil in my A-level economics class I would have to give him a grade E, because, although he shows some understanding of basic economic concepts, he cannot seem to grasp the difference between a real-terms change and a money change in a budget. I will give him the chance to re-sit, however. Now that his Department has admitted that schools will see a real cut in their budgets amounting to 3.4% or £170 per pupil by the end of the spending review period, will he finally admit that there is no real pupil premium, just a pupil con?

Tim Loughton: The hon. Gentleman knows full well that, if his Government had left any money in the kitty, none of those funding assessments would be necessary. The truth is that schools funding, above many other things, has been protected, with an extra £3.6 billion in

cash terms by the end of the comprehensive spending review period. In addition, pupil premium money will be focused on those pupils most in need—those who were most neglected by his Government.

International League Tables

11. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What steps his Department is taking to increase the ranking of schools in England in international league tables of educational attainment. [31432]

The Minister of State, Department for Education (Mr Nick Gibb): The OECD's programme for international student assessment—PISA—report, published on 7 December, shows that this country fell from fourth to 16th in science, from seventh to 25th in reading and from eighth to 28th in maths. The lessons from PISA on the hallmarks of high-performing systems are clear, and they are reflected in the direction of policy in our White Paper, "The Importance of Teaching."

Stephen Phillips: I am grateful to my hon. Friend for that answer. According to the OECD report that he mentions, UK teenagers in full-time education were outscored by their peers from, among other countries, Estonia, Liechtenstein and Slovenia. Does he agree that, if the previous Government's watchword was supposed to be education, education, education, the record that they left for this Government and for far too many of our young people was one of failure, failure, failure?

Mr Gibb: My hon. Friend raises a very good point. However one wants to describe the previous Labour Government's record, it is clear that we have fallen in the international educational attainment rankings, and that is why our White Paper focuses on reducing the bureaucracy that confronts our schools. We want to trust professionals and to increase the autonomy of schools. In our White Paper, we have a real focus on behaviour, on raising standards of reading, on raising the quality of the curriculum and on reviewing the national curriculum—should I go on Mr Speaker?—in all the policy areas that we intend to implement over the coming years in order to improve the quality of education in this country and to see a rise in our international rankings.

School Sports Funding

12. **Clive Efford** (Eltham) (Lab): What discussions he had with Baroness Campbell and the Youth Sport Trust during his review of school sports policy. [31433]

The Secretary of State for Education (Michael Gove): Baroness Campbell and the Youth Sport Trust have been closely involved in developing our proposals to create an Olympic and Paralympic-style school sport competition. The Department for Culture, Media and Sport is leading that work and has held regular meetings with a range of interested bodies, including the Youth Sport Trust. Ministers and officials from this Department attend those meetings. My officials and I have had a range of discussions with Baroness Campbell in the course of developing our wider proposals for school sport, and we are delighted that she, like so many others, supports our new approach to school sports, with a new emphasis on encouraging participation in competitive sports.

Clive Efford: This is a very humiliating day for the Secretary of State. He wrote a letter to Baroness Campbell, saying that he would spend the £162 million in funding for school sport through schools, but we now know that he has secured only less than half that money. So, it was his intention to pass on those cuts and make schools responsible for them, not to take responsibility for them himself. If Baroness Campbell is so involved in developing school sport, why did it take 600,000 people to sign a petition before he even met her? Should he not get up at that Dispatch Box and apologise?

Michael Gove: I am very grateful to the hon. Gentleman for his question, but he should do his homework first. I met Baroness Campbell on two occasions before we made our announcement: I enjoyed dinner with her and I enjoyed meeting her when we were launching our school sports Olympics at a school sport partnership in south-east London. I subsequently met Baroness Campbell and many other sports people. I have been meeting more sports people in the course of the past two weeks than I might have anticipated at this time of year, and every one of those conversations has been fruitful and constructive. As a result of those conversations, we have ensured that we are able to strip out the bureaucracy that characterised the worst of the previous Government's legacy and concentrate on building on the best. That is why not just Baroness Campbell but Dame Kelly Holmes has said that our approach to school sport is right. In the spirit of seasonal good cheer, I hope that the rest of the House will get behind those two fantastic female standard-bearers for sport.

Mr Adrian Sanders (Torbay) (LD): May I say how refreshing it is to have a Government who listen to representations and are prepared to think again? However, will the Secretary of State give the details of any change as soon as possible to people who will be affected? Redundancy processes are already in place, including at a school in my constituency in relation to the roles of development manager, part-time assistant and administrative worker for sports schemes.

Michael Gove: The important point about our scheme is that we are giving schools additional money to support the participation of more children in competitive sports. As the Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) pointed out, we are ring-fencing schools spending in cash terms and ensuring that the pupil premium is there to help the most disadvantaged. There will also be additional funding for every secondary school to ensure that it can maintain, if it wishes, its full role in a school sport partnership. However, let me make it clear: that money is for head teachers to spend. We are making sure that the bureaucracy that tied their hands in the past goes.

Mr Dennis Skinner (Bolsover) (Lab): John Barker runs the school sport partnerships in Bolsover and works at Tibshelf school, which has already been mentioned today, in my constituency. If the Secretary of State could, under this new deal, give him a job running the whole Bolsover school sport partnership and provide a

new school building at Tibshelf as well, he would kill two birds with one stone. The school sport partnership will be happy; the Tibshelf people will be happy; and the 100-year-old school in Tibshelf that is being held up by pit props will be replaced. Can he give that guarantee?

Michael Gove: I have to say that if I leave the House at the end of today having made the hon. Gentleman a happy man, I will consider my political career to have reached its peak. I seriously accept both the case that he makes for capital funding for Tibshelf school, which is in his constituency, not that of the hon. Member for North East Derbyshire (Natascha Engel), and the case for support for the gentleman he mentions. I am sure that the money will be there to ensure that that gentleman can carry on his good work. As the Under-Secretary, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), made clear, capital funding is available for Derbyshire and I will ensure that capital funding is in future targeted on those areas of greatest need. There are few areas of greater need than those that the hon. Gentleman represents, and few are lucky to have such an eloquent advocate.

Toby Perkins (Chesterfield) (Lab): We welcome the Secretary of State's humiliating climbdown on the school sport partnerships. It is hard to know what is most disgraceful: the refusal to meet Baroness Campbell or the way the Government badmouthed the Youth Sport Trust, the hundreds of school sports co-ordinators and the thousands of volunteers. The Secretary of State said that school sport partnerships had failed, another Minister slammed them and even the Prime Minister said they had a terrible record. Now, in the face of a storm of protest, the Government claim to be leaving them in place until shortly after the Olympics, albeit with dramatically less funding. We hope that the Secretary of State learns a lesson from this, which is just the latest shambles he has presided over. Will he acknowledge that school sports partnerships have not failed and have not got a terrible record, and will he promise to back them up to the Olympics and beyond?

Mr Speaker: Order. In future, questions must be briefer, and I know that the Secretary of State will now provide an example of a brief reply.

Michael Gove: I am very grateful for the hon. Gentleman's pre-written question, which was so old that it could have been a primary source in a GCSE history paper and so long that one could have used it instead of the Bayeux tapestry. Anyway, I am very happy to say that the money is now there from the budget that we had already allocated for sport. If only he had been paying attention during the Opposition day debate that we had four weeks ago, he would have known that.

Academies Programme

13. **Christopher Pincher** (Tamworth) (Con): What recent progress has been made on his Department's academies programme in (a) Tamworth constituency and (b) England. [31434]

The Minister of State, Department for Education (Mr Nick Gibb): Ministers have recently agreed proposals for two new academies to replace four Tamworth schools to be taken to the next stage of development, subject to the approval of the governing bodies. In addition, Landau Forte academy in Tamworth opened in September for 11 to 16-year-old pupils, and its new sixth-form centre will open in September 2011. Across England, there are now well over 350 academies, of which 158 have opened during this academic year.

Christopher Pincher: I am grateful to my hon. Friend for that answer. Will he, with me, congratulate all the other secondary schools in Tamworth that are now pursuing academy status beyond the dead hand of the LEA? Will he agree to support, to the best of his ability, those potential academies and academies sponsored by E-ACT that may wish to offer sixth-form provision if there is demand for it in the town?

Mr Gibb: I congratulate Queen Elizabeth's Mercian school, Belgrave high school, Rawlett community sports college and Wilnecote high school on seeking academy status. The OECD research is clear that autonomy at school level, combined with objective external assessment, is the key to success. We are keen to improve the quality of sixth-form provision and to look at all proposals. In the case of Tamworth, that would mean considering this in the light of the new sixth-form centre that is currently being built and due to open next year.

Education in Hospital

14. **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): What funding his Department provides through local authorities for the education of children with chronic medical conditions who spend significant periods of time in hospital. [31435]

The Minister of State, Department for Education (Sarah Teather): My Department does not collect this information, but we are committed to ensuring that children with long-term illnesses receive as normal an education as possible. Statutory guidance published jointly with the Department of Health sets out the national minimum standards for the education of children who are unable to attend school because of medical needs.

Dr Poulter: I thank the Minister for her reply. I am sure she is aware of the excellent work done by all staff in hospital school rooms in looking after pupils who have long-term illnesses. Will she join me in congratulating Ipswich hospital school room on treating, on average, 2,200 pupils every year who have chronic medical conditions? Does she agree that it is very important that all local education authorities invest properly in these school rooms and ensure that they have permanent staff who can work properly with children who are the most vulnerable and the most sick?

Sarah Teather: I certainly join the hon. Gentleman in congratulating those involved in the example from his constituency. This is an issue to which I feel personally very committed, having spent many of my teenage years in and out of hospital, experiencing not always good educational provision in hospital schools. I am afraid that not everybody is as lucky as the hon. Gentleman's constituents. I am very committed to working on this

issue with the Department of Health to try to ensure that quality is as good across the country as it has been in his constituency.

Miss Anne Begg (Aberdeen South) (Lab): Of course a child who is off school ill may not necessarily be in hospital, so their education has to take account of that. Will the hon. Lady have a word with her colleagues in the Department for Work and Pensions about this? The way that the benefit system works, particularly regarding disability living allowance, means that many such families are finding it very difficult to provide security to their children so that they can learn, because their mobility allowance or care allowance is stopping and starting as the children move in and out of hospital, and that is causing huge disruption because the family cannot plan and their finances are on a precarious footing.

Sarah Teather: The hon. Lady is correct to say that particularly now, when there is more of a focus on not being in hospital and being treated in the community, children with chronic medical conditions are less likely to be educated in hospital schools. I am sure that my colleagues in the Department for Work and Pensions will take note of her comments, which I will bring to their attention.

School Standards

17. **Mel Stride** (Central Devon) (Con): What recent representations he has received on school standards in (a) Central Devon constituency and (b) England. [31438]

The Minister of State, Department for Education (Mr Nick Gibb): No representations have been received on school standards in Central Devon. We have, of course, received many representations about standards in schools nationally. In 2010, at key stage 2, 78% of pupils in Central Devon achieved level 4 or above in English and maths combined, compared with 73% in England. In 2009, at key stage 4, 55.5% of pupils in Central Devon achieved five or more GCSEs at grade A* to C, including English and maths, compared with 50.9% in England as a whole.

Mel Stride: I thank my hon. Friend for that answer. Historically, Devon has suffered from a lower dedicated schools grant than other parts of the country. Will he confirm that he is looking closely at per pupil funding, and that schools in my constituency can expect a fairer deal in the future?

Mr Gibb: My hon. Friend will be aware that last Monday we announced the school funding settlement for 2011-12. The overall schools budget is being maintained at a flat cash per pupil rate so that as pupil numbers rise, the overall budget rises. In addition, we are introducing a pupil premium, which will be worth £625 million next year, and will provide schools with £430 for every pupil who is known to be eligible for free school meals. In Devon, the dedicated schools grant is £4,602 per pupil and the capital amount is £24.6 million for 2011-12. We recognise that the school funding system is currently unfair, opaque and illogical. A number of local authorities, particularly those in the F40 group, believe that they are not funded correctly. We will consider that over the longer term to address that unfairness.

Mr Speaker: Order. I encourage the Minister to address the House. It is no good his looking behind him, because hon. Members cannot hear him.

Local Government Allocations

18. **John Cryer** (Leyton and Wanstead) (Lab): What assessment he has made of the effect on school budgets of funding allocations to local authority education services for 2011-12. [31439]

The Secretary of State for Education (Michael Gove): The Government recently announced the 2011-12 school funding settlement. Indeed, the Minister of State, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb), has just been dilating on it. The schools budget will stay at a flat cash per pupil rate, before the addition of the pupil premium. The actual level of budget for each school will vary according to its local authority's funding formula and pupil numbers. There will be a minimum funding guarantee, so that no school will see a reduction, compared to 2010-11, of more than 1.5% per pupil before the pupil premium is applied.

John Cryer: May I return to reality for a couple of minutes? I represent some of the poorest wards in London, and that is against some pretty stiff competition. The schools in those wards face a sharp increase in pupil numbers over many years, in particular over the next year or two. At the same time, funding is being cut, whatever the Secretary of State says. Even taking account of the pupil premium, funding per pupil will reduce. Is that what he had in mind when he drew up his plan?

Michael Gove: I am grateful to the hon. Gentleman, but the truth is that facts are chiels that winna ding. The facts are that we are ensuring that the education budget increases by £3.6 billion.

Kevin Brennan (Cardiff West) (Lab): In real terms?

Michael Gove: That is in real money, actually. It will increase by £3.6 billion over the next four years. The Labour party could guarantee increases in education funding only for two years; we have guaranteed them for four, along with £2.5 billion for the poorest children and £1.1 billion to take account of pupil numbers. We are delivering growth in education spending that Labour could not afford and could not promise. That is a vindication of the progressive goals that the coalition has set itself.

Topical Questions

T1. [31447] **Jane Ellison** (Battersea) (Con): If he will make a statement on his departmental responsibilities.

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): I am delighted to say that the Government are looking closely at the matters that affect disadvantaged students who attend the college that my hon. Friend represents.

Jane Ellison: The Minister has visited South Thames college in my constituency. Like many further education colleges, it has warmly welcomed the freeing up of colleges from bureaucracy, and the extra freedoms and flexibilities that they have been granted. Such colleges

would like more information, if the Minister can provide it, on how they might use the enhanced discretionary support fund to support the most disadvantaged young people, particularly those who are starting two-year courses.

Mr Hayes: I was pleased to visit the college with my hon. Friend and I am delighted that it recognises the progress that we are making in giving colleges additional freedom, so that they can innovate and excel. I understand from looking at the figures before today that the college has among its learners a number of disadvantaged students. We will look closely at these matters to ensure that those students get every opportunity to fulfil their potential, for my party is the party of Wilberforce, Shaftesbury and Disraeli, and the elevation of the people is in our hearts.

T2. [31449] **Mr William Bain** (Glasgow North East) (Lab): On the education maintenance allowance, will the Secretary of State comment on two findings of the Institute for Fiscal Studies? The first is that the A-level results of recipients are, on average, four grades higher on the UCAS tariff than those of people who do not receive EMA. The second is that the so-called dead-weight costs of the EMA are less than those of initiatives that the Government are introducing, such as the relief on employers' national insurance contributions. Does that not show that the Government are making less a policy based on evidence and more a cut based on ideology?

The Secretary of State for Education (Michael Gove): That is a very good question, actually—much better than any of those from the Labour Front Bench. Unfortunately, the evidence does not stack up. The IFS actually pointed out that there had been no increase in participation and only a modest increase in attainment, and the National Foundation for Educational Research pointed out that the dead-weight cost was roughly 88%, so only 12% of students were participating who would not otherwise have participated. Clearly we can have more effective targeting. Just because many policies carry a dead weight, that does not mean that all policies should. Neither, indeed, should all Front Benches carry dead weight.

T3. [31450] **Stephen Phillips** (Sleaford and North Hykeham) (Con): My right hon. and hon. Friends will be aware of Operation Golf, the Metropolitan police's operation in London that has identified several hundred trafficked children on the streets of the capital, mostly from eastern Europe. What consideration have they given to ensuring that those children receive a decent education while they remain in the United Kingdom?

The Parliamentary Under-Secretary of State for Education (Tim Loughton): My hon. Friend makes a very good point, and I recently had a meeting with the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who takes the lead on trafficking. We want to ensure not only that those children are picked up at the border whenever possible and that we can track their whereabouts in this country, but that when we do know their whereabouts we work with local education authorities to ensure that they get the education to which they are entitled and which they desperately need. We must help them to shake off the people who have trafficked them, in many cases under the most gruesome circumstances.

T5. [31452] **Liz Kendall** (Leicester West) (Lab): Can the Minister confirm that the budget for the new early intervention grant, which includes funding for Sure Start, will be almost 11% lower next year than the current funding for the various programmes, and 7.5% lower in 2012? Can she tell the House by what definition of flexibility that is not a cut?

The Minister of State, Department for Education (Sarah Teather): The hon. Lady will be aware, especially if she has listened to the answers to previous questions, that when her party was in government it unfortunately spent all the money. We simply cannot fund everything at the same level as before; otherwise we will never be able to tackle the deficit.

By producing a flexible grant, we are responding to what local government has asked us to do. It has asked us, especially at a time when money is difficult, to create one large, flexible budget to ensure that it can prioritise based on local need. That means it will be able to fund things in a different way. If we tell local government that it has to fund things in one exact way, with certain priorities and in a certain order, it has no flexibility to focus on local areas. A flexible grant will allow it to prioritise funds and change the way in which it provides services locally.

T4. [31451] **Margot James** (Stourbridge) (Con): I am currently representing two families in my constituency who have been unable to get their children into a primary school along with their older siblings, owing to infant class size legislation. That has caused considerable distress to the families involved. Will my hon. Friend review the impact that infant class size legislation is having on families who wish their children to attend the same primary school?

The Minister of State, Department for Education (Mr Nick Gibb): As my hon. Friend knows, the School Standards and Framework Act 1998 places a duty on local authorities and schools to limit the size of infant classes taught by one teacher to 30 pupils. It makes exceptions for exceptional circumstances, such as when a child moves into an area outside the normal admissions round and there is no other school within a reasonable distance. Under current legislation, however, siblings are not included in the list of permitted exception criteria. We announced in the White Paper a review of the school admissions framework so that it will be clearer for parents, and that review will consider the over-subscription criteria, including siblings and the important issue of twins and children from multiple births. In other words, yes.

T7. [31454] **Julie Hilling** (Bolton West) (Lab): Young people may be forgiven for thinking that the Government do not like them very much following their decisions on EMA, tuition fees and the future jobs fund, and the destruction of the youth service. Can we assume that they have abandoned "Aiming High for Young People", the 10-year strategy for positive activities? As many local authorities are not

now fulfilling their statutory duties under the Education Act 2005, will the Secretary of State intervene?

Michael Gove: Another beautifully read question. I can tell the hon. Lady which Government betrayed young people—the one whom she supported, who left young people with a huge burden of debt around their necks and record levels of youth unemployment. A higher number of young people were not in education, employment or training when they left office compared with what they inherited. She has a right cheek to ask a question like that at this time of year. The first thing she should do is apologise on behalf of the previous Government for the dreadful mess in which they left the economy.

Bob Russell (Colchester) (LD): I endorse the point made by my hon. Friend the Member for Torbay (Mr Sanders). The Government have listened and responded on school sport partnerships. I urge the Secretary of State to ensure that the system is put right as quickly as possible so that staff do not lose their jobs. May I draw his attention to a Westminster Hall debate last week and an excellent suggestion from me on how the rest of it could be funded?

Michael Gove: I have always benefited not just from listening to the hon. Gentleman, but from reading his speeches in *Hansard*. I am thinking of having them bound and giving them as Christmas gifts to many of my friends. On this occasion, I will read with particular attention his contribution to that debate, which I am sure will make us all happier in the new year.

Vernon Coaker (Gedling) (Lab): Will the Secretary of State or one of his ministerial colleagues agree to meet me to discuss Nottinghamshire county council's proposed closure of Gedling school in my constituency? It is a well supported school and there has been a big campaign against its closure, but despite that, the county council is to continue with its proposals.

Michael Gove: The hon. Gentleman was a distinguished schools Minister. I should be delighted to meet him at the earliest opportunity.

Miss Anne McIntosh (Thirsk and Malton) (Con): The Secretary of State will be aware that North Yorkshire is the most rural and largest county in the country. We have problems with school transport, even outside the current extreme weather conditions. Will he give an undertaking that the pupil premium will apply first and foremost to rural counties such as North Yorkshire, and not to inner-city schools?

Michael Gove: The pupil premium will apply equally across the country, and we will ensure that the disadvantaged children in North Yorkshire who deserve it will receive it on the same basis as every other disadvantaged child.

Mrs Mary Glindon (North Tyneside) (Lab): Since October, I have been requesting that the Secretary of State visit two schools in my constituency, but as yet I have had no reply. As he will be in North Tyneside on 3 February, will he commit to visit Longbenton and Seaton Burn community colleges?

Michael Gove: I always enjoy visiting the north-east. I particularly enjoyed my visit a couple of weeks ago, when I had the chance to visit the Duchess high school, Alnwick, and schools in Stanley and Consett. I already have a packed schedule for the day to which the hon. Lady refers—I am due to be in Newcastle and Stockton—but I hope that I can visit North Tyneside, because I also want to visit south Tyneside to congratulate a school in Whitburn that has opted to become an academy. I have to remind the House that the number of schools that have opted to become academies under this Government has dramatically increased. Ninety-four schools have converted, 40 more will convert in January, and 333 have applied to convert, including 64 in the last week alone. *[Interruption.]* That is a record of reform of which I am afraid the hon. Member for Rhondda (Chris Bryant) can only dream.

Fiona Bruce (Congleton) (Con): There is considerable concern among many parents that elements of the current sex and relationships education contribute to the early sexualisation of children. What can the Secretary of State do to reassure the House that parents and governors will have significant local input into the framework for sex and relationships education in the curriculum review, so that they can know what is being taught in their local schools?

Michael Gove: I am very grateful to my hon. Friend for raising that issue. There is a recognition across the House that we need to strike a sensitive balance between the need to protect the innocence of young people and the need to equip them for the modern world. To my mind, that means that sex education needs to be both inclusive and rigorous, and ultimately subject to parental veto. Parents must have the right to withdraw their children from sex education if they consider it inappropriate, and a right to be informed on a local basis how that curriculum is generated. It is right that sex education is a compulsory part of the national curriculum. My Department wants to look at the guidance it provides, in consultation not just with faith groups but with other organisations such as Stonewall, to ensure that the correct balance between inclusivity, tolerance and respect for innocence is maintained.

Grahame M. Morris (Easington) (Lab): In September, I raised concerns on behalf of my constituents about Seaham school of technology, and the Secretary of State kindly wrote back indicating the criteria that would be applied to replace schools cancelled under the Building Schools for the Future programme—notably those in the worst state of dilapidation and where there are pressures on school rolls. May I remind him that Seaham school of technology is in a serious state and is the only school serving a population of about 26,000 in the town of Seaham? He indicated in his letter that he would try to respond by the end of the calendar year, and I am now looking for that response.

Michael Gove: That is a fair constituency case. As I pointed out in reply to an earlier question, I am interested in supporting schools in County Durham and the north-east that have faced difficult circumstances, and I have had the chance to see schools in Consett and Stanley that are also in a bad way and need support. They have embraced academy solutions, and if the hon. Gentleman

wishes to explore such a solution for Seaham, I would be delighted to explore that. In any case, I will look closely at the situation he described to see what can be done.

Jeremy Lefroy (Stafford) (Con): The 2009 OECD assessment of UK schools referred to earlier concluded that 77% of the differences between schools in student performance are explained by differences in socio-economic backgrounds—only Luxembourg has a higher figure. What assessment has the Minister made of that, and what will the Government do to address the situation?

Mr Gibb: It is still too often the case that a child's background will determine educational outcome and opportunities in life, which is something that the coalition Government are determined to tackle. That is why we have introduced a pupil premium starting at £430 per child qualifying for free school meals, rising to a total of £2.5 billion by 2014-15, and it is why we are focusing on raising standards of behaviour in schools and supporting teachers and head teachers to take a zero-tolerance approach to poor behaviour. It is also why we are putting such an emphasis on children learning to read and using systematic synthetic phonics.

Temporary Immigration Cap

3.32 pm

Ed Balls (Morley and Outwood) (Lab/Co-op) *(Urgent Question)*: To ask the Secretary of State for the Home Department if she will make a statement on Friday's High Court decision on the temporary immigration cap.

The Minister for Immigration (Damian Green): In June, when the Government announced that we would consult on how to implement a permanent limit on economic migrants, we also said that we would impose an interim limit until the permanent one took effect. This was to avoid a surge of applications in anticipation of the permanent limit.

The interim limit was given effect through changes to the immigration rules that were laid before Parliament, and on which an oral statement was made. On Friday we received the judgment that the changes announced provide an insufficient legal basis for the operation of the interim limit. The judgment was based on a technical procedural point known as Pankina grounds. The Court decided that this meant that more detail about the manner in which the limit is set, including its level, should have been included in the immigration rule changes laid before Parliament.

I would like to make it clear that the judgment of the Court was concerned solely with the technicalities of how the interim limits were introduced. It was in no way critical of, or prejudicial to, the Government's policy of applying a limit to economic migration to the United Kingdom, either permanently or on an interim basis. The policy objective of a limit in migration has not been called into question, and I am now considering what steps are required to reapply an interim limit consistent with the findings of the Court. Tomorrow I will be laying changes to the immigration rules that will set out the details that the Court required. This will enable us to reinstate the interim limits on a clear legal basis.

The House will be interested to know that tomorrow I will also be laying changes to the rules to close applications under the tier 1 general route from outside the United Kingdom immediately, as the original level specified on this tier has been reached. I can reassure the House that the policy of using these limits as part of our overall policy of reducing net migration is unchanged.

Ed Balls: On 28 June the Home Secretary herself came to the House to announce, without consultation, an immediate and temporary cap on non-EU migration. Details of the cap were then posted on the Home Office website, but not presented to Parliament. On Friday the High Court ruled that the Home Secretary's actions were, in fact, illegal. Lord Justice Sullivan said:

"There can be no doubt that she"

the Home Secretary

"was attempting to sidestep provisions for parliamentary scrutiny…and her attempt was for that reason unlawful."

As a result, the Government's much-heralded cap—deeply unpopular with business—does not today exist. As Lord Justice Sullivan said,

"no interim limits were lawfully published…by the secretary of state…there is not, and never has been, a limit on the number of applicants who may be admitted".

In the light of this chaos, it is surprising that the Home Secretary has not chosen to come to the House to answer for her actions, so let me ask the Minister for Immigration two sets of questions.

First, on the consequences of the error, can the Minister tell the House what the status is of those who applied under the illegal cap but were rejected? Will their applications now be granted retrospectively? Can the Minister tell the House how many more migrants he expects to enter the UK because of the failure to implement the cap? In the light of that, is it still the Government's target to cut net migration to the tens of thousands by 2015, as the Prime Minister pledged before the election, or is this mistake one reason why the Home Secretary is trying to water the target down to just an "aim"?

Secondly, on how we got into this mess in the first place, did the Minister and the Home Secretary ask for and receive legal advice before the summer about the legality of the temporary cap and the rushed way in which they were introducing it? Is it correct that he and the Home Secretary were warned by officials and lawyers that there was a risk of legal challenge if Parliament was bypassed in that way? If he and the Home Secretary did disregard legal advice, did they have the support of senior Home Office officials in so doing? Finally, will the Minister now agree to lay before Parliament all the legal advice on which the decision to proceed was based, to dispel the impression that he and the Home Secretary have acted in a reckless and chaotic manner, and to show that she has nothing to hide?

Damian Green: There were, I think, one or two substantive questions in the midst of that bluster. On the right hon. Gentleman's first point, about why the Home Secretary is not here, it seems perfectly reasonable that if a question is asked about immigration, the Immigration Minister should answer it. He will also be aware that there is a serious counter-terror operation going on today. I would suggest that he and other Opposition Front Benchers who are attempting to bluster their way through this should recognise that fact.

The right hon. Gentleman asked a substantive question about the status of those who applied, but whose applications were not granted. The answer is that, as he is aware, the judgment was handed down on Friday; however, as he does not seem to be aware, the written judgment will not be available until January. Until the Home Office receives that written judgment, it is obviously impossible for us to decide whether to appeal against Friday's judgment. All the questions that he asked about that are, therefore, simply inoperative until we see the written judgment. I am happy to confirm that, as the Home Secretary has said, it is still our target to bring immigration down from its uncontrolled, unsustainable level under the previous Government. As for the idea of publishing all legal advice given to Ministers, the right hon. Gentleman will be aware that this is a not a practice that was ever followed by the Government of whom he was a member. *[Interruption.]*

In response to the right hon. Gentleman's sedentary heckling, I am happy to assure him that the announcement that the Home Secretary made on 28 June was changed as a result of the Pankina judgment, but clearly all legal judgments are open to interpretation. What I will set out in a written statement tomorrow will absolutely

clear up the legal issues and address the narrow technical points made by the judge, and will mean that the interim limits can proceed on a completely legal basis. I hope that the House is reassured by that.

Tom Brake (Carshalton and Wallington) (LD): What is very clear is that the policy is not being challenged. Has the Minister had any discussions with other Departments, such as the Cabinet Office, about what lessons can be learned about how the process has to be followed, and what consultation needs to be carried out?

Damian Green: That is a perfectly valid question. We are in constant discussions with the Cabinet Office. There are, as the hon. Gentleman is aware, many court cases involving immigration issues. The lesson that I draw is that more and more should be put in the immigration rules and not simply in the guidance notes. We have already started to adopt that as a policy, and will do so in the future.

Mr Frank Field (Birkenhead) (Lab): May I assure the Immigration Minister that, whatever the courts decide, there is huge support in the country, including in Labour constituencies, for the policy that the coalition Government are pursuing? Of course, if he were able to bring those measures within the law that would be an advantage, but voters want to see the numbers coming down.

Damian Green: I am grateful to the right hon. Gentleman for that question. He shows a wisdom on this issue that is not available to the shadow Home Secretary, and he is right about what the public are asking—in Conservative, Liberal Democrat and Labour constituencies—about our policy of introducing a limit. The shadow Home Secretary has said:

"as many of us found in the election, our arguments on immigration were not good enough",

and I have to say that they are still not good enough.

Jason McCartney (Colne Valley) (Con): How does the Minister think the voters of Oldham East and Saddleworth, which borders my constituency, will react when they hear that the shadow Home Secretary opposes limiting economic migration?

Damian Green: I imagine that the voters of Oldham East and Saddleworth—who have great knowledge of immigration, owing to the unfortunate activities of my predecessor in this job—will take the view that the Labour party is, as ever, attempting to mislead them completely on immigration, and that that is why it should not be trusted.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Can the Minister please answer the question that my right hon. Friend the shadow Secretary of State asked him earlier? What is the status of those who applied under the illegal cap and were rejected, and will their applications now be granted? I draw to his attention the example of the international scientist who was unable to come to this country to take part in a cancer research project.

Damian Green: I am sorry that the hon. Lady did not listen to the answer that I gave the shadow Home Secretary, but I am quite happy to repeat it. The judgment was given on Friday but we do not have the written judgment yet, and we will not get it until January. It is clearly absurd to ask us to decide what to do about individual applications in advance of deciding whether to appeal against the judgment, and we cannot do that until we have the judgment in writing.

Tracey Crouch (Chatham and Aylesford) (Con): Does the Minister agree that it is a bit rich for the shadow Home Secretary to talk about chaos, given the parlous state of the immigration system that the new Government inherited?

Damian Green: My hon. Friend makes a perfectly good and valid point. The reason why we needed the interim limit was that we inherited an immigration system that was in complete chaos. We said at the election that we were going to introduce a permanent limit that would come into force next April. Between that point and next April there would have been an unimaginably large surge in applications if we had not imposed an interim limit. It is a perfectly sensible policy, and we will take steps tomorrow to ensure that it meets the Court's requirements so that it can continue to do the essential job of bringing immigration numbers back down to a level with which this country can feel comfortable.

Keith Vaz (Leicester East) (Lab): The Minister will know that, in paragraph 110 of the Home Affairs Select Committee's report on the immigration cap, we warned that this might happen. It is not just this Government but successive Governments who have legislated on immigration without giving Parliament the opportunity to scrutinise what was happening. Can he give the House an assurance that the consultation that he is now undertaking on students and on the permanent cap will not be affected in any way by the judgment? Clearly, if there are lessons to be learned from the judgment, when he gets it, it will be important to extend that consultation period.

Damian Green: I absolutely can give the right hon. Gentleman that guarantee. I was grateful for the Select Committee's report; as ever, it was extremely thoughtful and useful. The judgment has no effect at all on the permanent limit, and the lessons will certainly be learned. As he will have seen, our consultation on the permanent cap was a genuine consultation, and the policy that we announced at the end of it was welcomed by many business groups, including the CBI and the British Chambers of Commerce, that had expressed worries about it in advance. That shows that this Government's consultations are genuine, that we listen to people and to Parliament, and that we change policies in sensible ways after those consultations.

Nick de Bois (Enfield North) (Con): For the benefit of my constituents, will the Minister make clear beyond any shadow of doubt that the ruling, which is simply about process, will not deter the Government from their aim of reducing net migration from hundreds of thousands to tens of thousands?

Damian Green: I am happy to give my hon. Friend that complete assurance. As I said, the ruling is technical. We want to obey it as fast as possible, which is why we will change the rules tomorrow. I think that the only

[Damian Green]

people in the House who do not want a reduction in immigration and a sustainable immigration system are those on the Opposition Front Bench.

Mike Gapes (Ilford South) (Lab/Co-op): Can the Minister confirm that this is not the first occasion on which Ministers have had difficulties with the courts? Can he also confirm that Ministers in his Department—he and the Home Secretary—received clear and unambiguous legal advice from their officials before they introduced this temporary measure?

Damian Green: Ministers in all Governments receive clear legal advice before any measure is introduced. The hon. Gentleman has been around for long enough to know that all Home Office Ministers have had issues with the courts. Indeed, that was happening even before he and I entered the House. I should love to stand here and say that it will never happen again, but I have been around for too long to say that.

Andrew Stephenson (Pendle) (Con): Does the Minister agree with the shadow Home Secretary that Labour's arguments on immigration during the general election campaign were not good enough?

Damian Green: I do agree with the shadow Home Secretary on that point. He has said many interesting things about immigration—facing both sides of the issue, as he frequently does. However, I think that the country has decided. People want immigration limits, they want immigration brought down, and they elected this Government to do precisely that.

Jeremy Corbyn (Islington North) (Lab): As the Minister appears to be under some pressure from employers in the private sector and the academic and research institutions with regard to the operation of the cap, is it such a good idea to reimpose a temporary cap tomorrow, rather than letting the consultation run its course and then coming up with a more thoughtful answer early next year?

Damian Green: I think that the hon. Gentleman is, perhaps understandably, confused about the nature of the consultation. The consultation was on the permanent limit. That consultation is now over, and my right hon. Friend the Home Secretary made a statement a few weeks ago which was, indeed, welcomed by business groups. We have laid to rest the legitimate concerns that business groups had about the operation of the permanent cap, which will now proceed—as was always intended—from April.

Mr Peter Bone (Wellingborough) (Con): The "Listening to Wellingborough and Rushden" survey has shown that for the last two years immigration has been the No. 1 issue. My constituents would congratulate the coalition Government on what has been their most popular measure, and would urge the Minister to continue the policy.

Damian Green: I am interested to hear what my hon. Friend's constituents say. They are representative of many people around the country in wanting this issue to be gripped, after 10 years of chaos. I am happy to assure my hon. Friend that that is precisely what we are doing, and precisely what we will continue to do.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Unless I misheard him, which is perfectly possible, the Minister said that tier 1 was being closed with immediate effect because the cap had been reached. Does that include the two-year post-study visa? Will it too be closed immediately?

Damian Green: No. What is being closed is the tier 1 general visa for people from outside the United Kingdom. That was part of the interim cap, and that is what will be closed tomorrow. As the hon. Lady knows, from April we will completely recast tier 1 to make it a tier for exceptional people such as entrepreneurs and investors—the brightest and best people, whom the country needs and from whom we continue to benefit.

Mel Stride (Central Devon) (Con): Would my hon. Friend care to comment on the immigration controls that he inherited from the last Government? Does he know that, according to the shadow Home Secretary, Labour "actually addressed" immigration—that, according to him,

"We'd put in place controls on immigration"?

Damian Green *rose*—

Mr Speaker: Order. As he has helpfully reminded the House, the Minister is very experienced, and I know that he will want to relate his answer to the policy of the Government rather than that of the Opposition.

Damian Green: I shall be happy to do so, Mr. Speaker. The Government's policy is to operate an immigration cap, and to operate an interim cap on the way to a permanent cap as part of a much wider set of measures that will bring immigration down to sustainable levels. The only thing that I can say about the previous Government's policies is that immigration was running at totally unsustainable levels, causing social tension and pressures throughout the country. I am surprised that the shadow Home Secretary did not take the opportunity to apologise for that.

Mr David Lammy (Tottenham) (Lab): Did the Minister consult the Attorney-General? Given that he has said he is going to reimpose the cap, can he now tell us what the status is of those who have applied during the period?

Damian Green: This is the third time I have been asked that question, and I will give the same answer for the third time. Until we get the details of the judgment we do not even know whether we will appeal against it, so until then it is impossible to discuss sensibly the status of those who applied and were turned down between July and now. *[Interruption.]* As I have said, Labour Members can keep asking that question, but they will keep getting the same, truthful, answer.

European Council

3.50 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I should like to make a statement on last week's European Council. Britain had three objectives at this Council: first, to help bring stability to the eurozone, which is in Britain's interests; secondly, to make sure that Britain is not liable for bailing out the eurozone when the new permanent arrangements come into effect; and thirdly, to build on the progress we made with the 2011 EU budget, with tougher settlements in the years to follow.

Let me address each of the three objectives in turn. First, no one should doubt that stability in the eurozone is in our interests. Nearly half our trade is with the eurozone, London is Europe's international financial centre, and no one can deny that the eurozone faces very real challenges at the moment. We see that in the Irish situation, and with Spain and Portugal paying interest rate penalties in the financial markets. Britain's approach should not be simply to say, "Well, we told you monetary union would require fiscal union," and leave it at that. We want to help the eurozone to deal with the issues it faces. We have a clear interest in other member states taking fiscal and structural action and in the cleaning up of banks' balance sheets. The fact that we have set out a path to deal with our own deficit and seen our own interest rates come down lends weight to our argument.

Following the dinner, at which leaders of all the EU countries had a wide-ranging discussion on the state of the eurozone, eurozone leaders issued a statement saying that they

"stand ready to do whatever is required"

to return the eurozone to stability. Part of that is the new permanent mechanism for assisting eurozone countries that get into financial difficulty. Enabling eurozone countries to establish such a mechanism is in our interests, but how that mechanism is brought about is equally important. After the October Council I made it very clear to the House that any possible future treaty change would not affect the UK, and that I would not agree to it if it did. I also said that no powers would be transferred from Westminster to Brussels. At the Council we agreed the establishment of a permanent mechanism with a proposed very limited treaty change. This change does not affect the UK, and it does not transfer any powers from Britain to the European Union.

Secondly, on the issue of liability for any potential bail-out of the eurozone in future, Britain is not in the euro and we are not going to join the euro, and that is why we should not have any liability for bailing out the eurozone when the new permanent arrangements come into effect in 2013. In the current emergency arrangements established under article 122 of the treaty, we do have such a liability. That was a decision taken by the previous Government, and it is a decision that we disagreed with at the time. We are stuck with it for the duration of the emergency mechanism, but I have been determined to ensure that when the permanent mechanism starts, Britain's liability should end, and that is exactly what we agreed at the European Council.

The Council conclusions state that this will be a "stability mechanism" for

"member States whose currency is the euro".

This means it is a mechanism established by eurozone countries for eurozone countries.

Britain will not be part of it. Crucially, we have also ensured that the current emergency arrangements are closed off when the new mechanism comes into effect in 2013. Both the Council conclusions and the introduction to the decision to change the treaty itself—the actual document that will be presented to this Parliament for its assent—are clear that article 122

"will no longer be needed for such purposes"

and that

"Heads of State or Government therefore agreed that it should not be used for such purposes."

Both the Council conclusions and the decision that introduces the treaty change state in black and white the clear and unanimous agreement that from 2013 Britain will not be dragged into bailing out the eurozone. Before the Government agree to this treaty change, Parliament must, of course, give its approval—and if this treaty change is agreed by all member states, its ratification in this country will be subject to the terms of our EU Bill, and so will be subject to primary legislation.

Thirdly, let me turn to the issue of the EU budget. Securing a tight budget for the future remains my highest priority for the European Union. I believe that it is a priority shared by the vast majority of people in this country. At the last Council, we managed to do something that we have not done in previous years. We were faced with a situation where the Council had agreed a 2.91% increase—that was not the UK's position; we had wanted a tougher settlement, but we were outvoted—yet the European Parliament went on and called for a 6% increase. Instead of just splitting the difference between what the Council asked for and what the Parliament called for, which is what happened last year, Britain led an alliance of member states to reject decisively the European Parliament's request. We insisted on no more than the 2.91% increase that the Council had previously agreed. Many predicted that this would be impossible and that Britain would be defeated, but we succeeded, which will save the British taxpayer several hundred million pounds compared with what could have happened.

We also agreed a new principle that from now on, the EU budget must be in line with what we are doing in our own countries. We did this by taking the initiative and galvanising others to join us. We sent a clear message that when we are making cuts at home, with tough decisions on pensions, welfare and pay, it is simply not acceptable to go on spending more and more and more through the European Union. At this Council, I wanted to keep up the momentum on the EU budget by forging an alliance with like-minded partners and starting to work towards securing a tougher settlement for future budgets.

At the weekend Chancellor Merkel, President Sarkozy and I, together with the Prime Ministers of Finland and the Netherlands, sent a letter to the President—[Hon. Members: "That's an alliance?"] Well, it involves the three largest countries in Europe. We sent a letter to the President of the European Commission setting out our goals for the 2012 and 2013 budgets and the longer-term financial perspective, which covers the rest of this decade right up until 2020. It states clearly our collective view that

"the action taken in 2011 to curb annual growth"

[The Prime Minister]

in European spending should be "stepped up" in 2012 and 2013. Together, we say that there must be a real-terms freeze in the period 2014 to 2020. I want us to achieve a decade of spending restraint in Europe, and the three biggest powers in Europe—the three biggest net contributors to the budget—have committed to that. I believe that this is an important step forward.

There are two problems that Europe must urgently address. The first is that the eurozone is not working properly. It needs major reform, and it is in our interests not to stand in the way of that. Indeed, as I have argued, we should be actively helping the eurozone to deal with its issues. Secondly, Europe as a whole needs to be much more competitive. Collectively, we must press ahead with measures that will help European countries pay their way in a world where economic competition internationally is becoming ever fiercer. We must expand the single market in areas such as services, press forward on free trade and, crucially, avoid burdening businesses with costly red tape. We must promote stability, jobs and growth. That is the agenda that this Government are pursuing in Europe, and I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): I thank the Prime Minister for his statement. I want to ask him about three issues: the agreement on the European budget, the treaty change, and the wider but perhaps most fundamental question of all, European growth.

First, on the budget, I welcome the call for restraint in the European budget in the years ahead. On the budget for this year, we heard from the Prime Minister after this Council, in his own modest way, rather what we heard after the previous Council: he applauded the outcome because he said that it avoided the ultimate sin of European negotiations—simply "splitting the difference" between positions. But that rather depends on whose positions we are talking about.

Let me remind the Prime Minister of some rather inconvenient facts. He originally wanted a freeze in the budget, whereas the European Parliament wanted a 5.9% increase. He did not just want a freeze back in August; he was still arguing for one days before the previous European Council in October. Perhaps he can tell the House what figure splits the difference between 0 and 5.9%. By my reckoning it is about 2.9%, which is the outcome we ended up with after his negotiations. So after all his rhetoric, his grandstanding and his description of this as a "victory for common sense", we have ended up splitting the difference. I congratulate him on his heroic achievement.

We welcome the Prime Minister's support for the treaty change agreed at the Council. It is right that the eurozone should replace its ad hoc arrangements with a more permanent mechanism, but we have to ask why the Prime Minister has to fall over himself to try to justify accepting a fairly minor change. He is simply showing—I congratulate him on this—a sensible piece of what might be called "Europragmatism". Of course, his problem is that, before the election, he claimed to be not the Europragmatist but the great Eurosceptic. We all remember his cast-iron guarantee, and his promise that if there was any chance at all of a reopening of the treaty and a referendum on Lisbon he personally would make it happen. The Foreign Secretary admitted in November that this treaty change offers a pretext for a referendum, but it would clearly be absurd to use it to try to derail the whole of Lisbon. That is the problem—the Prime Minister's absurd position before the election, and the fact that he was believed.

The Prime Minister also used to say that he would take the first opportunity to repatriate powers over employment and social legislation to Britain, but we heard nothing of that in his statement. It is no wonder that his Back Benchers are not very happy with him on Europe, because he led them up the garden path. He said, "I am one of you. I feel your pain. I am the great Eurosceptic." Can he explain, most of all for the benefit of his Back Benchers, why he has abandoned those pre-election commitments? We know that he has broken his promise to parents on child benefit and to young people on education maintenance allowance, but things have got so bad that he is even breaking his promises to his own Eurosceptics.

Let me turn to the economy. The agreement on a permanent crisis mechanism for the eurozone after 2013 does not address the challenges faced by Europe's economy right now. I think that he and I would agree on that. Does he agree that eurozone members should do more to promote stability in the eurozone before 2013? Does he also agree that we need European action to promote growth for there to be any chance of serious export growth in the United Kingdom? The Prime Minister's plans, with VAT set to rise and spending cuts kicking in, rely on an extra £100 billion of exports to the UK over five years. More than 50% of exports, as he said, are to Europe, but the European Commission forecasts slowing growth next year.

In our view, the Prime Minister should be doing more to work with colleagues in Europe to improve prospects for growth. He should do three things in particular: first, he should argue that all countries engaging in fiscal consolidation, including Germany and the UK, should do so at a pace that supports economic growth domestically and across Europe as a whole; secondly, he should ensure that those countries facing problems, including Ireland, are not locked into repeated rounds of austerity measures, with higher taxes and lower spending hitting the growth those countries need to pay down their debts and recover; and, thirdly, he should ensure that Europe's voice in the G20 argues for a growth-oriented strategy. Given the nature of his statement, people will wonder whether he sees the connection between his optimistic forecast about exports and growth and the summit he attended this weekend.

The Prime Minister's problems on Europe reflect his wider domestic approach. He breaks his promises and thinks one can reduce an economic policy to a pure deficit reduction policy with no focus on growth and jobs. In 2011, he needs to stop spending his time in Europe trying to grandstand and start engaging on a growth agenda for Europe and Britain that can help us here at home.

The Prime Minister: The right hon. Gentleman talks about grandstanding, but for the past couple of years we were told endlessly that we were going to be isolated in Europe, that we would have no allies in Europe and no friends in Europe, but when we put together an

alliance of the three biggest countries in Europe for budget restraint, the first thing he ought to do is stand up and congratulate us.

Let me take the right hon. Gentleman's three questions in turn. First, on the budget, he talked about some inconvenient facts. Let me give him some inconvenient facts from last year. Last year, when we had a Labour Government, a 3.8% increase was proposed by the European Council and supported by that Government. The European Parliament then came forward with a 9.8% proposed increase, and they split the difference so the budget went up by 6%. That is what happened last year, supported by Labour. The difference between that and what we achieved is hundreds of millions of pounds. That is what this Government's actions have saved. When it comes to changing positions, I note that in her statement after the European Council the shadow Foreign Secretary said that "Labour voted against" this budget rise "from the beginning". That is simply not true—Labour MEPs opposed our call for a freeze in the European Parliament.

Secondly, on treaty change, the right hon. Gentleman does not seem to understand that this very limited treaty change is in our interests so we should support it. We should use this opportunity to get rid of the risks of Britain being drawn further into eurozone support in the future. We are liable to that because of the weak actions of his Government before the last election. It is absolutely right that we use our negotiating capital to make sure that Britain is not liable when the new mechanism comes in. What we are doing, once again, is clearing up the mess left by Labour.

The third issue that the right hon. Gentleman raised was the economy. He says that we should call for measures that will achieve greater stability in Europe, but that is exactly what we are doing. Just imagine what stability we would get in Europe if he were sitting at the Council table saying that we should not be bothering with deficit reduction. We would be putting ourselves in the same camp as Ireland, Portugal and other countries.

Finally, the right hon. Gentleman tells me how unhappy my Back Benchers are, but I would swap their unhappiness for that of his Back Benchers any day of the week. I am sure that they will want to remember that important thing at Christmas time—always keep your receipts in case you want to exchange for something bigger.

Richard Ottaway (Croydon South) (Con): As a happy Back Bencher, I congratulate the Prime Minister on winning the budget battle with the European Parliament, where there was clearly no splitting the difference. Enlargement was also on the agenda. On Turkey, does he agree that the problems that many predicted would have occurred by now do not seem to have materialised? However, we still seem to have deadlock, with no new chapters being opened and no progress being made on the Ankara protocol. The General Affairs and External Relations Council said last week that progress is now expected without further delay: how does he see that materialising?

The Prime Minister: My hon. Friend is right that we should push for progress with Turkish accession—and we are. I raised this with the Hungarian Prime Minister when he came to Downing street last week, because Hungary is going to hold the future presidency of the European Union. We have to win the argument in Europe—too many are opposed to Turkish membership. I think that all the arguments are in favour and that we should push this as hard as we can and keep opening those chapters to show that we are doing so in good faith.

Mr Denis MacShane (Rotherham) (Lab): Before the Prime Minister boasts so much about freezing the budget, he might reflect on the fact that although that will save the British rebate, it means the common agricultural policy will not be reformed for several years. It also means that there will be no money for our new partners in east Europe. From Margaret Thatcher to Tony Blair, British leadership was based on acts of solidarity with poor, incoming members of the EU. The Prime Minister is the first one to sign up to the Sarkozy-Merkel agenda of being as mean as possible to our new friends and allies in east Europe.

The Prime Minister: I do not accept that the only way we can make progress with helping partners in eastern Europe is by having an ever-rising EU budget. Indeed, there are countries in eastern Europe that support the position we take that the budget should not go up and that we should spend the money better. As I have argued before, we should be making more progress on transparency and using it as a weapon to shine a light on the EU budget and some of the disastrous ways in which it is spent. It is an absolute counsel of despair to say that the only way we can help other countries in Europe is with an ever-rising budget: it is not.

Mark Pritchard (The Wrekin) (Con): Whilst the new bail-out mechanism has thankfully comforted the markets, do not many of our EU partners need to rein in their public spending, follow Britain's example and introduce some meaningful financial austerity measures?

The Prime Minister: To be fair to other countries in Europe, the conversation around the Council table is very much about the action that everyone is having to take. Britain has set quite a pace in setting out a five-year programme about how we are going to do this and what we have seen in Britain is market interest rates coming down since the election, whereas in other European countries they have sometimes gone up. What is required is some credible fiscal plans. Fiscal consolidation alone will not settle down the eurozone but that has to be a part of it.

Kelvin Hopkins (Luton North) (Lab): It is clear that, despite everything the European Union has done, the euro is still in crisis—and that crisis will not end any time soon. Has the Prime Minister been aware of or involved in any private discussions about how the euro might be deconstructed in a controlled way?

The Prime Minister: We had a very good discussion at the dinner, which involved all EU members, not just eurozone members. As someone who has never supported Britain's joining the euro and who has always had concerns that the currency area was not optimal—as I said in my statement, I would make the argument that with a single currency, a move towards a single fiscal policy was needed, but that was never done—I must say it is profoundly not in Britain's interest to see the

[The Prime Minister]

break-up of the eurozone. If that happened, there would be very bad consequences not just for eurozone countries, but for Britain. We should take a hard-headed, practical view and recognise that 44% of our exports go to eurozone countries. If that broke up, it would be bad for Britain. We should be making positive suggestions about what eurozone countries can do to make sure that they get the stability and growth that we all need. There is fiscal consolidation, active monetary policy, cleaning up bank balance sheets, getting ahead of the markets and showing that we want this to be a success. That is what needs to happen and, as I say, standing on the sidelines and saying, "Well, we told you this wasn't a great idea" is not the right approach.

Several hon. Members *rose*

Mr Speaker: Order. Although it is not my normal practice to call a Member who was not present at the very start of the statement, I note that the hon. Member for Stone (Mr Cash) chairs the European Scrutiny Committee and therefore, exceptionally, I shall call the hon. Gentleman on this occasion.

Mr William Cash (Stone) (Con): I am extremely grateful, Mr Speaker. I really only came here to wish the Prime Minister a happy Christmas. Does the Prime Minister share the concern of many of us that the present financial mechanism is unlawful, and that Britain is exposed until 2013 while the black hole of Portugal and Spain opens up before us? Does he therefore think there are serious grounds for challenging the unlawfulness of it and not exposing the British electorate to the prospect of having to contribute to that while suffering such severe austerity cuts?

The Prime Minister: I thank you, Mr Speaker, for your leniency. No European statement would be complete without a question from my hon. Friend the Member for Stone (Mr Cash). He may have a good point. Article 122 of the treaty refers to help in the case of natural disasters and other emergencies. There are some people who question whether it should have been used in this way to support eurozone countries.

That argument was had and was conceded under the previous Government in two ways. First, they agreed the establishment of the mechanism. Secondly, if we go back to the Nice treaty, it was the then Europe Minister, the right hon. Member for Leicester East (Keith Vaz), who is in his place, who argued from the Dispatch Box that it was perfectly okay for article 122 to go to qualified majority voting, which is where we are today. So in two ways the previous Government made a bad mistake. As I say, we are clearing up the mess and we will certainly do that from 2013, but the mechanism remains in place till then.

Chris Bryant (Rhondda) (Lab): Was there any discussion at the Council of the case of Sergei Magnitsky, who was working on behalf of a British investment firm in Russia and was tortured and murdered a little over a year ago? I am sure the Prime Minister is aware that there was a vote in the European Parliament last week, supported by MEPs from all parties in this House, to say that those who took part in his murder, who have not faced any criminal prosecution at all, and those whose corruption he unveiled should be banned from the European Union, and that Senator McCain in the United States of America is supporting a similar ban. Will he support a ban?

The Prime Minister: The Government continue to raise all these cases and issues around them with the Russian authorities. Our embassy in Moscow is closely watching developments in the cases of Mr Khordorkovsky and Mr Lebedev, and we remain very concerned about Mr Magnitsky's case, as raised by the hon. Gentleman. We await with interest the conclusion of the official investigation into the case, which was announced by President Medvedev in November 2009.

Simon Hughes (Bermondsey and Old Southwark) (LD): I congratulate the Prime Minister on a robust performance in Brussels. Resisting the Parliament's demand for an extravagant budget was absolutely the right thing to do. As he looks ahead towards the justified freeze on the budget post-2014—and not just because of the weather—can he assure us that it does not mean that the budget will be frozen, but that subsidies that are not justified and expenditure that is wasted will be replaced by, for example, expenditure on energy and climate change issues, which are both the priority of this Government and ought to be the priority of the European Union as well?

The Prime Minister: My hon. Friend makes a good point, which goes to the point made by the former Europe Minister, the right hon. Member for Rotherham (Mr MacShane), which is that we must do better at trying to re-order the priorities of the European budget, but I do not accept that we can do that only by allowing an increase. I accept that we are taking a tough position, because we are trying to get a freeze with major partners for 2014 to 2020, but we also want budget reform and reform of the CAP. We are in the vanguard of arguing for that because we want to see the money better spent. It is right to set out down this path and try to achieve those goals.

Keith Vaz (Leicester East) (Lab): The Prime Minister will recall that six months ago he and other EU leaders set out the Europe 2020 strategy as a successor to the Lisbon agenda, which was agreed in 2000. Is he confident that nothing discussed at the weekend will affect the benchmarks that were set in June? With the European Union, what is important is not just getting an agreement, but making sure that countries meet benchmarks on jobs and growth.

The Prime Minister: The right hon. Gentleman makes a good point, which is that we should not amend those benchmarks, but the Europe 2020 document is slightly disappointing, because Europe's real problem is that it has become uncompetitive, has expensive welfare systems and overbearing pension systems and is not complete as a single market. We need a more robust conversation in Europe about how we get growth—how we reform and improve the structure of our economies to get growth. Europe 2020 is only part of that, and we should be more ambitious for next year.

Harriett Baldwin (West Worcestershire) (Con): As another happy Back Bencher, may I convey the thanks of the British taxpayer for the hundreds of millions of

pounds that the Prime Minister saved us over the weekend? However, I should be interested in the clarification of an issue. The problems in the eurozone are likely to occur between now and 2013. What is the extent of Britain's liability under the emergency arrangements signed up to by the previous Labour Chancellor?

The Prime Minister: I am glad to hear that my hon. Friend is a happy Back Bencher. The answer to her question is that a mechanism was established under article 122 of the Lisbon treaty, allowing the European Union to spend the headroom between its budget and the money it can spend under the previous financial deal on such bail-outs. The headroom was €60 billion, some of which has been used with respect to Ireland, and the mechanism is established under qualified majority voting. That is the problem we face, so we are dealing with that in the fastest way we can by saying that, when the new mechanism comes in, it will rule out action under the old mechanism. Of course, as they like to say in Limerick, we shouldn't have started from here.

Mr Dennis Skinner (Bolsover) (Lab): Why is the Prime Minister so besotted with the idea that he wants Turkey in the European Union and, possibly, the eurozone? Eighty million Turks will be on the move, and it will not be two-way traffic. How can that improve financial stability?

The Prime Minister: I know lots of people in Turkey I would willingly swap with the hon. Gentleman. Maybe we could have a transfer. I would make a serious argument, however, which is that, if we want the European Union to be a force for stability in our world, we should try to include a country that wants to look to the west, is a democracy and wants to be part of the European economy. All those would be great advantages for the European Union.

Jacob Rees-Mogg (North East Somerset) (Con): Will the Prime Minister clarify whether the minor treaty amendment will specifically exclude Britain from any liability, or whether that will merely be implied? Will he also ensure that article 122 is never used again for that purpose under the treaty? The reason I ask so specifically is that the previous practice of Europe has not always been to do precisely what it has implied it might do, and we really want to have that nailed down.

The Prime Minister: I think my hon. Friend asks absolutely the right question, because there is a history in Europe of such agreements not always being stuck to, and of there being a rather federalist ratchet. That was why I was very clear that we needed language, not just in the European Council conclusions, about article 122 not being used in future. I actually wanted it in the article that will be presented to this House for us to look at as a treaty amendment, so, in what is called the recitals—don't worry, I'm not going to start singing—or the introduction to the article, it says:

"As this mechanism"—

the new mechanism—

"is designed to safeguard the financial stability of the euro area as whole…Article 122…of the TFEU"—

the treaty on the functioning of the European Union—

"will no longer be needed for such purposes. Heads of State or Government therefore agreed that it should not be used for such purposes."

That seems to me to be quite a good belt and braces—no need, no use; and it is not just in the Council conclusions, but in the introduction to the treaty article itself.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): This seems to have been a pretty significant Council, as a result of which we will have treaty changes that will involve legislation here. Treaties cannot be amended, so we will have a debate but not be able to amend them. Is the Prime Minister aware that, for this Council, the House did not have a pre-Council debate in the Chamber, on the basis that the Leader of the House said—and the Foreign Secretary will whisper to the Prime Minister—that it is Back-Bench business? If the Prime Minister takes Europe seriously, how on earth can he defend a discussion on something as significant as that being Back-Bench business?

The Prime Minister: The hon. Lady is so astute about this House she even knows when I am being whispered to while sitting down. I am hugely impressed because she is absolutely right. I answer her in two ways. First, the new Backbench Business Committee—some of its members are in the Chamber—has 30 days a year in which to discuss such matters. Secondly,—this is the important thing—at this Council, we agreed the type of treaty change and gave some clarity about what needs to be done. However, there is now a proper process, which means that this Parliament has to be formally consulted, which it will be, before the treaty change goes through and there will then be a proper process of parliamentary approval. It is all very well the shadow Chief Whip chuntering from the Front Bench, but I do not remember the previous Government being anything like as generous as to give 30 days for the consideration of Back-Bench business. We just dreamed of such things in those days.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I say that I agree with the hon. Member for Birmingham, Edgbaston (Ms Stuart): it is extraordinary that we did not have a pre-Council debate. I also wish to press my right hon. Friend on the question raised by my hon. Friend the Member for West Worcestershire (Harriett Baldwin). The Prime Minister said that we will not have liability for the eurozone after 2013, and we very much hope that that is correct. However, the European stabilisation mechanism seems to be an open-ended liability. On 22 November, the Chancellor said:

"we would certainly not be in favour of somehow replenishing it". [*Official Report*, 22 November 2010; Vol. 519, c. 43.]

Are we going to refuse to replenish the European stabilisation mechanism while it continues to exist?

The Prime Minister: As I have said, the stabilisation mechanism is based on the difference between the European budget and its headroom. That is a fact set out in the decision made by the right hon. Member for Edinburgh South West (Mr Darling). The debate in Europe at the moment is about replenishing the other facility. That is known as the facility rather than the mechanism, which, of course, Britain is not in. That is a eurozone facility, and there is a debate in Europe about whether that should be topped up and increased. Obviously, from our perspective, we are keen on Europe using the facility rather than the mechanism.

Mr Andrew Love (Edmonton) (Lab/Co-op): The permanent mechanism will not be introduced until June 2013. Meanwhile, we are left with this temporary mechanism, which is widely viewed as inadequate to the task. That is likely to mean repeated austerity measures on behalf of Spain, Portugal and perhaps others who are caught in this contagion. That cannot be good for the United Kingdom and its export performance. What is the Prime Minister doing to raise our case at a European level?

The Prime Minister: I would make two points to the hon. Gentleman. First, as I have described, there is the mechanism, which has that headroom. However, eurozone countries should be using the eurozone facility. We do not have a say over eurozone member states' financial and fiscal policies, so it makes much more sense for eurozone countries to raise that money and subsidise each other if that is what they choose to do. That is what the eurozone facility, which is hundreds of billions of euros, rather than €60 billion, is there to do. I make one other point to the hon. Gentleman: only a limited amount can be done to help countries just by making these transfers. There must be fundamental reforms in those countries, whether that involves cleaning up banks, dealing with labour markets, having more active monetary policies or making their fiscal policies real. All those things will make a difference.

Neil Carmichael (Stroud) (Con): In noting the Prime Minister's considerable achievements in the European Council, does he agree that it is critical that Britain plays an important role in creating a vibrant, dynamic European economy, so that we can get on with the job of being competitive with the far east and other growing economies?

The Prime Minister: My hon. Friend is entirely right, and this also relates to the previous question. Of course, everyone in Europe wants to see higher growth rates. That is one of the ways we will get deficits down and ensure that we have more jobs in our countries. However, Europe needs to ask itself, "How can we get higher growth?" That should be done by completing the single market, extending it to services, taking a more forward position on the Doha round and, frankly, stopping some of the things that the European Union is currently doing that add massive costs and burdens to business. At the European Council dinner, I pressed the point very strongly that unless Europe starts making those decisions, people will not take its growth strategy very seriously.

Mike Gapes (Ilford South) (Lab/Co-op): The Prime Minister has not referred to one of the most important issues that is currently going on internationally, and I would be grateful to know whether it was considered and discussed in the European Council—that is, the deteriorating situation in west Africa, specifically the fact that the former defeated President of Côte d'Ivoire, with the support of the military and brutal thugs, is clinging on to power and threatening to expel the United Nations from that country. What is the European Union, with its common security and defence policy, going to do to assist the African Union and the UN to restore democratic government in Côte d'Ivoire?

The Prime Minister: The hon. Gentleman is entirely right. We did discuss at the European Council the problems in Côte d'Ivoire, and we took a very clear view, which is that everyone there should accept the result of the election and support the United Nations, as we support the United Nations and its continued presence in that country.

Jeremy Lefroy (Stafford) (Con): What progress did my right hon. Friend make in persuading other countries in the European Union of the merits of a single market in services, not just for their companies here but for our companies there?

The Prime Minister: This is an argument that we can win and have got to win in Europe. We now have like-minded Governments who want to see completion of the internal market, progress on services and progress on Doha, with countries like the Netherlands, Finland and Germany all wanting to see a more open-market Europe. We have to push this very hard, because it is the growth agenda. Clearly, fiscal stimulus is not available to Europe because everyone has such large budget deficits. The best stimulus that we could give to the European economy and our economy is to make these structural changes.

Kevin Brennan (Cardiff West) (Lab): Do I take it from the Prime Minister's statement and the facility that he has shown in his answers for using Euro-jargon that he has gone native on Europe?

The Prime Minister: I am very sorry—I will do my best. It is extremely difficult when there is a mechanism, a facility, and article 122, which used to be article 100 before it was changed by QMV in the Nice treaty. *[Interruption.]* There is also the recital, and as I said earlier, I am not going to sing. There is a lot of junk that you have to mug up on, but the basic principles are simple—get in there, stand up for your country, and do a good deal.

Joseph Johnson (Orpington) (Con): A structural lack of competitiveness is one of the fundamental problems underlying the current crisis. Can the Prime Minister say whether there was any discussion of the Lisbon 2020 agenda and how it will differ from the original Lisbon agenda in 2000, which failed dismally to make Europe the most competitive and dynamic economy in the world by 2010?

The Prime Minister: We did discuss the 2020 agenda. I think there is a feeling among a number of other Heads of Government that it is all very well—it has some good targets and a lot of sensible things about investing in skills and education and the rest of it—but it does not really do the hard things that we need to do in Europe to make our economies more competitive with those in the far east. That is the agenda that we need now—not just easy-to-agree targets and headlines but the tough things we need to do to make us more competitive.

Mr William Bain (Glasgow North East) (Lab): In opposition, the Prime Minister spoke regularly about the need for radical reform of the common agricultural policy, but there is no reference to it in the statement he

made today. Can he assure the House that, in pursuit of this alliance with France and Germany over the budget, he is not abandoning the principles of CAP reform that are shared across this House?

The Prime Minister: I can absolutely give the hon. Gentleman that assurance. There has been no back-stairs deal between us and the French. What has happened is that the French and the Germans have agreed with us that, with all the difficult things we are doing in our own countries, it is a real priority to stop the endless rise in the EU budget. That has been done without any guarantees about what happens or does not happen to CAP reform. I remain passionately committed to reforming the CAP. That is right for Europe and for Europe's farmers, and it would leave room in the European budget to spend the money in a more sensible way.

Jason McCartney (Colne Valley) (Con): May I just put it on record that I am a very jolly Back Bencher, particularly as I received the Prime Minister's Christmas card this morning? Along with the vast majority of my constituents, I would very much have welcomed a cut to the EU budget. However, back in the real world, will the Prime Minister confirm that the decisions and arguments he has made in the past few weeks are good for the long-term future of the United Kingdom?

The Prime Minister: I thank my hon. Friend; I am glad that Royal Mail is working effectively. *[Interruption.]* Opposition Members are shouting, "Where are ours?" Any unhappy Back Benchers who do not feel that they are getting enough love from their Front Benchers can join the love train and get a "Happy Christmas" card from me.

Grahame M. Morris (Easington) (Lab): Bankers' bonus payments rankle with ordinary hard-working families. Did the Prime Minister discuss — formally or informally — with his colleagues at the summit making a collective EU agreement to limit bankers' bonus payments?

The Prime Minister: Normally, there are long discussions about banks and bonuses. We had a lot of discussion about the need to improve the performance of banks, their balance sheets and their lending practices, but there was no long discussion about bank bonuses. There have been good international agreements on bank bonuses, and we have added to them in this country through the bank levy, which will raise more in every year than the previous Government's bonus tax raised in just one year.

Mr Julian Brazier (Canterbury) (Con): Does my right hon. Friend agree that what is best for the poorer countries of eastern Europe, which were mentioned earlier, is best for people in this country? That is economic recovery in Europe. Although he rightly says that fiscal changes alone will not deliver that, without fiscal changes and restraint not only by Governments but by the EU, there will be no sustained economic recovery.

The Prime Minister: My hon. Friend is right. Some Labour Members talk as if there were a choice between going for growth and dealing with the deficit. The truth is that the deficit must be dealt with to get the confidence that is needed for growth. If Labour Members sat in the European Council and argued that deficits were not a problem, their fellow socialists in Portugal, Spain and Greece, who are in difficult circumstances, would think that they had gone completely and utterly mad.

Jeremy Corbyn (Islington North) (Lab): During the summit, did the Prime Minister talk to Government leaders about the growing levels of unemployment in some European countries, the increasing severity of public spending cuts and the impoverishment of working-class families, which is growing as a result? Did they discuss the danger of the whole of Europe tipping into recession because of the drive to cut public expenditure and lay off public sector workers, whereas the socially just thing to do would be to maintain social levels of expenditure?

The Prime Minister: Yes — of course we had that conversation. We had a conversation about how we can create growth and jobs in Europe. However, if one listens to the left-wing leaders of Portugal, Greece and Spain talk about the problems in their economies, they say that they know that they must deal with their deficits and show that they have a plan to get their deficits down. At the moment, their interest rates are rising higher and higher, making growth more difficult. The idea that there is an alternative socialist wonderland where one can forget about how much money one is borrowing is for the birds.

Mr Peter Bone (Wellingborough) (Con): I am the happiest of Back Benchers now that we have a Prime Minister who stands up for British interests in Europe — although I have not received a Christmas card. Does the Prime Minister agree that the biggest scandal of the previous Labour Government was their surrender of Mrs Thatcher's rebate, the result of which is that we will pay £41 billion to the EU in the next five years, which is twice what we paid in the previous five years?

The Prime Minister: The card is in the post. I want to make my hon. Friend not just happy, but ecstatic. He is right about the rebate. We now get lectures from the Labour party, saying that we were not tough enough on the European budget. That is from the people who gave away the rebate and in return got absolutely nothing.

Andrew Stephenson (Pendle) (Con): The eurozone economy is vital to manufacturing and defence firms in Pendle, which export products across Europe and the globe. Alongside currency fluctuations and economic uncertainty, many businesses say that red tape and bureaucracy is the main challenge that they face. Was that issue addressed at the European Council?

The Prime Minister: I am glad that my hon. Friend asked that, because it is exactly the point that I made at the dinner of the 27 member states. We have to go through what would make a difference in creating more growth in the European Union. Of course, there are positive things that we have to do, such as completing the single market and extending it to services. However, there are also things that we should stop doing. There is a problem of endless directives coming through that add to the cost of business. There are some things that Europe must stop doing to give businesses the chance to invest and expand.

High Speed Rail

4.34 pm

The Secretary of State for Transport (Mr Philip Hammond): With permission, Mr Speaker, I want to make a statement on the Government's plans for the development of a national high-speed rail network, and on the proposed route that we will put forward next year for public consultation.

One of the coalition's main objectives is to build an economy that is more balanced both sectorally and geographically, and that will deliver sustainable economic growth while also delivering on our climate change targets. Investment in infrastructure, and transport infrastructure in particular, will be a key part of that approach. To deliver economic growth and carbon reduction, we must provide attractive alternatives to short-haul aviation while addressing the issue of scarce rail capacity between city centres. Network Rail has calculated that by 2024 the west coast main line will effectively be full, with no further enhancements that could reasonably be made to meet future demand.

The Government believe that the best long-term solution to those challenges is the development of a national high-speed rail network. Our proposed strategy is a Y-shaped network, to be delivered in two phases, the first being a line from London to the west midlands and the second the onward legs to Manchester and Leeds, with connections to points further north via the east and west coast main lines.

Our proposals will provide an unprecedented increase in capacity on the key north-south routes out of London through a combination of new infrastructure and released capacity on existing lines. Reliability will be improved and journey times between major cities slashed. Central Birmingham will be brought within 49 minutes of London—potentially less for non-stopping services—and within one hour five minutes of Leeds. The released capacity on the west coast main line offers the possibility of commuter-frequency fast services to London from places such as Coventry and Milton Keynes.

By running trains seamlessly on to existing inter-city routes, the proposed network will also bring Glasgow and Edinburgh within three and a half hours of London, which is fast enough to induce a major shift of passengers from domestic aviation. In the longer term, we will also explore with the Scottish Government the options for further reducing journey times to Scotland.

The development of a high-speed rail network has been a key factor in our decision on additional runways at London's airports, which is why we said from the outset that any such network must be linked to our principal gateway airport and integrated with the European high-speed network via High Speed 1. In June, I asked HS2 Ltd to carry out additional work on such links. I have studied that work and the recommendations of Lord Mawhinney's review, and I have also examined Arup's proposals for a transport hub near Iver.

I have concluded that a spur route to the airport, running on the surface close to the M25 for part of its length, is the best option. It is lower-cost than the other options considered by HS2 Ltd, will keep journey times between London and Birmingham to a minimum and will retain the flexibility to be extended into a loop in future. To deliver the best possible value for taxpayers' money, I propose that a spur route be constructed as part of the second phase of the network, opening at the same time as the routes to Manchester and Leeds. I have today asked HS2 Ltd to carry out further work on such a spur route, with a view to public consultation later in this Parliament alongside the routes to Manchester and Leeds. For the period prior to the opening of that second phase, high-speed rail travellers to the airport will be able to change to fast Heathrow Express services at Old Oak Common, where there will also be a direct interchange with Crossrail.

With regard to a link to HS 1, HS2 Ltd's report identifies that a connection can be made via a new tunnel from Old Oak Common to the North London line near Chalk Farm, from where existing infrastructure can be used to reach the HS 1 line north of St Pancras. That proposal is significantly cheaper than any other option for a direct link, and it will enable direct trains to run from the midlands and the north to Europe without affecting existing service levels on the North London line. Such a tunnel can be constructed only before the Old Oak Common interchange comes into operation, so the link will be included in the phase 1 scheme put forward for consultation.

The Government believe that the construction of a high-speed rail network will support economic growth and the rebalancing of the UK economy, but we recognise that the proposed line will have significant local impacts on the areas it passes through and that we have a duty to do everything practically possible to mitigate those impacts. That is why, since my appointment as Secretary of State, I have reviewed the proposals of the previous Administration. I have looked at the case for high-speed rail, at the corridor options for a north-south route, at the different route options put forward by HS2 Ltd and in detail at the route option recommended in its March report. I have reached the conclusion, as the previous Administration did, that the route option recommended in March represents the most appropriate general alignment for the high-speed railway between London and the west midlands.

However, before finalising the detailed route that I am publishing today for consultation, I travelled the length of it and talked directly to local authorities, property owners, and many of the protest groups and their Members of Parliament, and I commissioned additional work on the options for improving the proposed alignment. As a consequence, significant amendments have been made to both the vertical and horizontal alignment, and to the proposed mitigation measures. In total, around 50% of the preferred route proposal published in March has been amended in some respect.

I am confident that solutions have now been found that can significantly mitigate the impacts of the railway at local level which, when properly understood, will reassure many of those who have been understandably apprehensive about the potential impact on their lives and their property values. For instance, in Primrose Hill, work to identify the most appropriate locations for the necessary vent shafts has shifted the proposed tunnel, and thus also the vent shafts themselves, to the north, away from the most sensitive areas of that part of London, locating them alongside the existing railway.

Between Amersham and Wendover, opportunities to cover sections of the proposed cutting to create a green bridge and a longer green tunnel have been

incorporated into the route design to reduce its visual impact and avoid severance of public rights of way. By moving the alignment away from the historic property of Hartwell house, HS2 Ltd has been able to ensure that the line would not be visible from the house itself and that additional earthworks and planting can be undertaken to further reduce visual and noise impacts. In the most northerly section of the route, an improved alignment has been identified that would move the line further from Lichfield.

Despite our best efforts at mitigation, however, we will not be able to avoid all impacts on property values. Where a project that is in the national interest imposes significant financial loss on individuals, it is right and proper that they should be compensated fairly for that loss, so I have asked my officials to prepare a range of options for a scheme to assist those whose properties will not be required for the construction of the railway, but who will none the less see a significant diminution of value as a result of the construction of the line.

The forthcoming consultation will include proposals for such a scheme, which will sit alongside the statutory blight regime, which covers those whose properties would need to be taken to build the line. I am publishing today on my Department's website, and placing in the Library of the House, a set of reports by HS2 Ltd that sets out for each route section the options considered and the changes proposed, together with detailed maps showing the revised preferred route from London to the west midlands in full. That route will form the basis for the public consultation, which I expect to begin in February next year.

When the consultation is launched, I will also publish a revised business case, a full appraisal of sustainability, noise contour maps and route visualisations, all of which can be completed only now that the final preferred route for consultation has been determined. Let me be clear that the consultation will encompass the Government's strategy for a national high-speed rail network, the choice of corridor and the detailed line of route that I have outlined for the initial phase from London to the west midlands. As part of the consultation process, roadshows will be held along the length of the preferred route from London to the west midlands to ensure that local people have the opportunity to find out more about the project and to discuss specific concerns with those involved in developing the scheme.

It is my view that a high-speed rail network will deliver a transformational change to the way Britain works and competes in the 21st century. It will allow the economies of the midlands and the north to benefit much more directly from the economic engine of London, tackling the north-south divide more effectively than half a century of regional policy has done, expanding labour markets and bringing our major conurbations closer together. The consultation exercise that we will launch in the new year will be one of the biggest and most wide-ranging ever undertaken by any Government, and I urge all hon. Members with an interest to participate and to encourage their constituents to do so. These proposals have the support of political and business leaders from all parts of the United Kingdom, and I hope they will gain cross-party support in this House. I commend this statement to the House.

Maria Eagle (Garston and Halewood) (Lab): I thank the Secretary of State for early sight of his statement. Today, he is facing a rising tide of criticism over the transport chaos gripping the country, so it is unlucky that he is scheduled to update the House on high-speed travel on a day when most people would settle for travel at any speed at all. As he knows, it was Labour in government which set out a vision for a high-speed rail line running from London to Birmingham from 2026, and on to Leeds, Manchester and Scotland in phases during the following years. I pay tribute to the tenacity and determination of his predecessor, the noble Lord Adonis, whose exhaustive work on the scheme has allowed the right hon. Gentleman to pick up and run with the vision he has set out today for high-speed rail.

I recognise the importance of increasing rail capacity and connectivity, particularly in respect of the west coast main line and the Chiltern line beyond 2020. I assure the Secretary of State that Labour remains committed to investing in a world-class rail system, and that high-speed rail could have an important role to play in delivering it. That is why we began the planning process when in government—in fact, I suspect that his proposals probably have more support on the Labour Benches than on the Benches behind him. He is the one sitting in a divided Government, although for once the divisions do not involve the Liberal Democrats. No doubt, he will find out in due course whether he has done enough today to persuade the Secretary of State for Wales, who is in her place, not to resign in protest at his plans.

We have just embarked on a fundamental review of our policies, just as the Conservatives did after the Prime Minister became leader of his party—and just like the leader of the Liberal Democrats, who appears to have looked again at all his party's policies since joining the Government. It would be ridiculous for our future support for high-speed rail not to be at the heart of that review—and it will be at the heart of it—given that it is a £30 billion commitment on future Parliaments. In the meantime, however, the Secretary of State has the support of Labour Members as he moves forward with the next stage of planning the route he has set out today.

It would be good if the Secretary of State were to show the same determination and commitment to other critical investment in our rail industry—investment needed now, not in future Parliaments. He has cut and delayed the vital investment we had planned for this Parliament: he has delayed the new generation of inter-city express trains and cut our plans for 1,300 new carriages; he has delayed much of the electrification that we planned and cut Great Western line electrification beyond Bristol and into Wales; and he has delayed the Thameslink and Crossrail schemes, which will not now benefit passengers until 2018—or is it now 2019? It keeps slipping.

We have set out an additional £7.5 billion of capital investment from which significant sums would have been invested in our rail networks in this Parliament. Does the Secretary of State realise that because he has cut so much spending in this Parliament while post-dating a £30 billion cheque for a high-speed rail scheme, the cost of which will fall in future Parliaments, people may well be sceptical about the extent of his commitment to Britain's railways today? Does he understand how he puts at risk public support for future investment such as

[Maria Eagle]

high-speed rail, given that he cannot even get the investment to keep our trains and other transport infrastructure running during severe weather?

Does the Secretary of State also understand the anger that will be felt in communities across the country when people hear him claim that his support for high-speed rail is due to concern about the north-south divide in Britain? His party's support for high-speed rail is a fig leaf to disguise the fact that it has no strategy for investment, jobs or growth in the north. If he were really bothered about the north-south divide, he would not be supporting the scrapping of the regional development agencies, the future jobs fund and the education maintenance allowance, or the trebling of student fees, the delaying of broadband roll-out or the increase in VAT to 20%—another broken promise from both the Conservatives and the Liberal Democrats. If he were really bothered about the north-south divide, he would not be loading the largest cuts on to councils in the midlands and the north. If he were really bothered about transport links beyond the south, why is it that authorities in the north are facing the biggest cuts in their road maintenance and local travel projects, with Merseyside facing cuts of 49% and Manchester cuts of 42%, while midlands and southern counties are doing much better?

Let me ask the Secretary of State some specific questions about the scheme that he has announced today. What impact will the changes to the route, the additional compensation and hardship payments, and the other commitments that he has made today have on the £750 million that he has allocated in this spending period? Can he offer an assurance that that will not have a knock-on effect on other rail schemes already facing cuts and delays, and that it will not set a precedent for compensation in other cases where infrastructure is driven through people's homes and businesses? He has previously referred to the construction costs for major projects in the UK being significantly higher than for comparable projects elsewhere in Europe. What progress has he made, working with Infrastructure UK, to find ways of bringing down the cost of the scheme to the taxpayer?

Will the Secretary of State confirm whether the cost of the trains to run on the high-speed line has been included in the figures used for the cost of the scheme; or, as with other schemes, such as Crossrail, do they constitute separate expenditure yet to be identified? One of the things missing from the debate on high-speed rail to date has been the likely cost of using the service. Does he agree that if all taxpayers are to contribute so significantly to the cost of constructing the route, it cannot be a service with ticket prices outside the grasp of most people? Does he agree that many people will question his commitment to take the line beyond Birmingham, when he is restricting his proposed legislation to the first part of the route? Why is he not taking powers in the hybrid Bill to build the line to the north of Birmingham?

The Secretary of State's party has no credibility when it comes to investing in our railways. We remember the 18 years of Tory under-investment in Britain's railways, and the botched privatisation, which resulted in years of instability and uncertainty. It was Labour that delivered years of sustained investment, leading to a doubling of passenger numbers. He is right to continue the work, which Labour began, to prepare for high-speed rail in the UK. However, we must also see investment in rail schemes that will benefit the country and assist growth and economic recovery now, not just in 15 to 20 years' time. We must see investment in technology to improve the resilience of the network to severe weather, and we must see passengers protected from the spiralling cost of fares. If the Secretary of State is really serious about maintaining a consensus on high-speed rail and building public support for his plans, he should think again about some of the decisions that he has taken in his first few months in the job. He should think again about cuts to new carriages, the delays to electrification and the massive hike in fares.

Mr Hammond: I will start with the good bits. I thank the hon. Lady for what I think was her support for the next stage of the process—going through the consultation and introducing a Bill later in this Parliament, if that is what we decide as a result of the consultation. I am also happy to pay tribute, as she did, to the work of my immediate predecessor in developing the case for high-speed rail, although it is worth noting that not all his predecessors seemed to have been quite so committed to the project.

I am afraid that it is the hon. Lady who lacks credibility, in talking about our failure to invest in the railway. She can talk about a decade of Labour investment as much as she likes. What most people will have noticed is a decade of driving us towards the brink of bankruptcy. What we have done is salvage a substantial programme of investment in rail infrastructure—a programme the scale of which neither she nor many commentators outside this place predicted we would be able to continue with in the context of the extreme fiscal constraints that we face. We have gone ahead with Crossrail and Thameslink, and with a programme of additional rail vehicles—gone ahead with, not merely announced unfunded promises, which is her legacy. We will go ahead with the inter-city express programme, as I have already announced. We will announce to Parliament the details of that programme, along with the electrification associated with it, in the new year. The hon. Lady can go on all she likes about proposing £17 billion of additional investment. Her party has no economic plan, no policies and no credibility.

Turning to the specifics of the hon. Lady's response, the high-speed rail investment that we are proposing will be approximately £2 billion a year over a period of 16 years. That is roughly what we are spending now on Thameslink and Crossrail, so large infrastructure projects can be funded while the investment in the mainstream main line railway is funded as it is now.

The hon. Lady asked about our commitment to high speed rail as a means of addressing the north-south divide, and she reeled off a string of tried and failed mechanisms for addressing that persistent problem. We have decided to take a new approach to closing the gap between economic growth rates in the north and south, and the experience of other countries suggests that investment in strategic infrastructure is the best way to deliver that outcome.

The hon. Lady asked whether the change of route and the exceptional hardship scheme will impact on the £750 million that has been set aside for HS 2 during this Parliament, and the answer to that is no. She also asked whether there would be an impact on other rail schemes'

budgets, and the answer is again no. The HS 2 budget is ring-fenced; other rail schemes are typically funded through Network Rail and through support to train operators.

The hon. Lady asked about the compensation scheme. I have indicated that we will seek to go further than has happened with previous such infrastructure schemes in the UK, because it is right and proper that individuals who suffer serious financial loss in the national interest should be compensated. She also asked whether we will be setting a precedent in that regard. She should be aware that developing European jurisprudence in the area of property rights and the need for Governments to compensate is pointing towards more generous compensation becoming the norm, and I suspect that that will be the case for future projects.

On construction costs, yes, we are of course anxious to get such costs down to something closer to European norms. The hon. Lady will know that Sir Roy McNulty is carrying out a review, one element of which relates to the cost of UK rail construction, and Infrastructure UK is also engaged in that issue. A report will be published in April. She asked whether the cost of the trains is included in the total figure, and I can confirm that it is.

The hon. Lady also asked about the assumption with regard to ticketing and to the prices of tickets. I can tell her that the business case modelling assumes the same ticket pricing structures as those that are now in place on the west coast main line. In practice, however, the west coast main line and High Speed 2 will be in competition with each other. The operator of High Speed 2 will have a very large number of seats to fill, and we anticipate that the processes of competition in the marketplace will create opportunities for passengers who are prepared to buy advance tickets and to shop on the internet to get bargains for travel between London, the midlands and the north.

Finally, the hon. Lady asked about the strength of our commitment to going beyond Birmingham. With respect, when her party was in government, its position was always focused on a line from London to Birmingham. It was us who took the debate beyond Birmingham and made the case for Manchester and Leeds. Indeed, the business case for this railway, for the connection to Heathrow airport and for the connection to HS 1 depends on a railway that forms a complete network linking Britain's four principal population centres, so I can assure her of that commitment.

I put it to the hon. Lady, however, that if we had sought to carry out the detailed work required for a hybrid Bill that covered the entire route, including the legs to Manchester and Leeds, it is unlikely that we would have been able to introduce such a Bill until the end of this Parliament. Our decision was therefore to introduce a hybrid Bill to deal with the London to Birmingham section – which is already a massive undertaking – in 2013, and that, while that Bill is going through Parliament, we should continue our detailed work on the legs to Manchester and Leeds, so that they can be included in a further hybrid Bill in the next Parliament.

Dan Byles (North Warwickshire) (Con): The Secretary of State kindly visited my constituency to investigate the impact of the route there. He will recall that he himself noted how high it would be. There would be large gantries and viaducts crossing motorways. At the time, he said that he would ask HS2 Ltd whether it could do anything to mitigate the impact. He did not mention North Warwickshire in his statement; is he able to give people in the area any good news?

Mr Hammond: I think that my hon. Friend is referring to the point at which the railway will cross the M6 at Coleshill. At my request, HS 2 looked into whether it was possible to build under the motorway, but I am afraid that that is not technically possible. HS 2 has managed to reduce the height of the proposed flyover by a modest amount, but I am afraid that it will still be quite high at Coleshill.

Frank Dobson (Holborn and St Pancras) (Lab): Will the Secretary of State confirm that what he has announced will involve the demolition of 350 flats in my constituency, the building over of a well-loved park, and the abandonment of a proposal to rebuild a girls' Catholic secondary school on the part of the site that has been taken over? While people in Primrose Hill may welcome the minor changes that he has announced, they will feel a little surrounded if there is to be a further tunnel on the other side of Primrose Hill, emerging at Chalk Farm, because they will have a tunnel on both sides. Does the Secretary of State accept that HS2 Ltd really ought to go back to the drawing board? The idea that the connection of a significant network will be dependent on a spur connecting HS 2 with HS 1 is preposterous, and the company really ought to start again.

Mr Hammond: Before the right hon. Gentleman describes the proposal as preposterous, he should look at what has been published and consider it carefully. It is a carefully worked-out engineering solution that provides a value-for-money answer for people who believe that it is essential for trains to run directly from the midlands and the north of England, through the channel tunnel, and onwards to the European high-speed network.

The right hon. Gentleman asked about the impact on his constituency, which arises largely from the planned expansion of Euston station. Yes, there will be a number of property demolitions and replacements. It is planned to replace the properties that I have seen alongside the railway in his constituency with new properties. Some of the existing properties date from the 1920s and 1930s, and could do with being replaced. As he said, part of a small park will also be required.

The detailed design for the replacement Euston station has not yet been completed, but it is possible that it will be largely below ground level. At present, a large piece of the structure effectively creates a barrier down the middle of the right hon. Gentleman's constituency, separating east from west. Camden council is keen for that barrier to go, and for a natural pattern of streets to be opened up at the back of Euston station. I hope that we shall be able to facilitate that through this project, and to bring a positive benefit to the people of Camden.

Andrea Leadsom (South Northamptonshire) (Con): My right hon. Friend is well aware that my constituency has been severely blighted by the proposed route of the high speed railway, and he has received about 500 letters from me explaining quite how devastating that is for my constituents, so I shall not dwell on that now. Let me ask him, however, whether this is really the best value

[Andrea Leadsom]

for money and the best solution to the undoubted need for new transport infrastructure. In particular, is the demand for seats really going to grow by 3% every year, as has been forecast to make the economic case? Is it really true that people do nothing when they are sitting on a train, and that that is dead time? There is also a lack of connectivity: there is nothing in it for anyone who is under the track.

Let me say finally—as you are looking at me crossly, Mr. Deputy Speaker—that there is a risk that other trains will be axed later to make way for HS 2 trains on the platforms. I should be grateful for the Secretary of State's comments on that.

Mr Hammond: I can reassure my hon. Friend on the last point. Other trains will not be axed to make way for HS 2 trains. This will be a dedicated high-speed passenger line, and it will not affect other railways.

My hon. Friend asked about the impact on South Northamptonshire. Obviously I am well aware of her concerns: I spend most Sunday afternoons signing letters to her and my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan). We have gone to great lengths to try to minimise the impacts on my hon. Friend's constituents and the communities she serves. If she looks at the maps and plans we have published today, she will see that we have been able to achieve a reduction in the impact, and I hope that, during the course of the consultation, I will be able to engage with local communities about the mitigation measures that will be put in place, including extensive planting, bunding and sound barriers to reduce that impact further. On the question about growth in passenger numbers, the model the Office of Rail Regulation uses is based on demand for travel growing broadly in line with the economy and all the evidence suggests that that is the case. Those growth forecasts are robust and we expect them to be achieved.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): High Speed 2 is about vital economic development, as well as about providing essential additional capacity for passengers and freight, but when will the Secretary of State explain how this essential economic development will take place, and will he guarantee that the line will run past Birmingham so as to bring benefits to the north, as well as between London and Birmingham?

Mr Hammond: The hon. Lady is, I think, repeating the suspicion—I can only describe it as that—of the Opposition spokesman, who expressed some concern that we might not be going to continue beyond Birmingham. Our firm intention is to go to Leeds and Manchester. Indeed, the business case will be based on the completion of the Y network to Manchester and Birmingham, but I would not like anyone to be

Frank Dobson: And Leeds?

Mr Hammond: Yes, and Leeds. However, I would not like anyone to be under the illusion that benefits for people living north of Birmingham will begin to accrue only when the second phase is built. The point of reconnecting the first phase of the line to the west coast main line is that people travelling to Manchester, Liverpool and Scotland will enjoy journey-time savings from the point at which the first phase to Birmingham is opened. That is because the trains we will operate on this proposed railway will run straight off the high-speed line and on to the classic line, dropping the speed down to the line speed of the classic line, but allowing passengers to enjoy the benefit of the journey-time saving between London and Birmingham.

Iain Stewart (Milton Keynes South) (Con): I hope it is in order, Mr Deputy Speaker, briefly to congratulate you on your brave announcement yesterday, and to welcome you to the club.

Has my right hon. Friend the Secretary of State had an opportunity to study the experiences of countries such as France, Germany and Spain and the lessons they learned in the construction of their high speed lines? I am thinking in particular about their very effective schemes to minimise noise pollution. Also, please can we ensure that our new railway infrastructure is not a series of new ugly concrete constructions, but instead that we have structures of which we can proud, as we have had in the past with, for example, the Forth bridge and Brunel's tunnels and viaducts?

Mr Hammond: I am grateful to my hon. Friend for his question. Yes, we have looked very closely at what has happened in France and at what is happening in Spain, and we have drawn on the experience of those countries in modelling the business case and addressing the approach to mitigation. My hon. Friend's question reminds me to make a rather important point. We will not be committing to orders for trains for this railway until almost 2020, so there is another 10 years' worth of train design development before the commitment has to be made.

Frank Dobson: Like for the aircraft carriers.

Mr Hammond: Well, they were your aircraft carriers, and I am not going to let the right hon. Gentleman anywhere near designing our trains; that is for sure.

The Eurostar trains that run on HS 1 were designed nearly 20 years ago and have concentrated power cars at front and rear. There will therefore be about 30 years of evolution in train design in respect of reducing noise and increasing fuel efficiency between the design of the Eurostar trains and the design of the trains that will run on these lines.

I also say to my hon. Friend that where we can hide this line, we will hide it. Where we cannot hide it, we will ensure that it is architecturally designed and that it is something that people are pleased to look at, not a British Rail engineering-style eyesore.

Mr Dave Watts (St Helens North) (Lab): Given the massive cuts to regional and local transport systems that have already been announced and the fact that the capacity problem could be dealt with by investment in the existing west coast main line, why are the Government wasting billions of pounds of taxpayers' money on this scheme?

Mr Hammond: Because the capacity problem could not be dealt with by further investment in the west coast main line. *[Interruption.]* The hon. Gentleman says that it could, but if he looks at the engineering reports

that have been published, he will see that, in practice, it could not. We are going ahead with additional rail cars and additional train sets on the west coast main line, and the Network Rail route utilisation study published two weeks ago shows that by 2024 the line will be operating at capacity between London and Manchester, and London and Birmingham. It is not possible, because of the design of the infrastructure—we are not just talking about platform lengths—to put longer trains on a railway that is designed in the way that the west coast main line was designed. If he recalls the chaos that lasted for years when the west coast main line was upgraded a couple of years ago and if, on the back of that, he is seriously proposing that we should add two additional tracks to its entire length while resignalling the whole thing, he needs to think again.

Duncan Hames (Chippenham) (LD): I congratulate the Secretary of State on having the foresight to add a connection from High Speed 2 to High Speed 1. Can he tell me what the capacity will be for this link and so give this House an indication of the proportion of services from Birmingham that will be able to be through services to the continent?

Mr Hammond: The determining factor, of course, will be commercial considerations: how much passenger load there is and where interchanges might be made in the system between Birmingham, Manchester, Leeds, Old Oak Common and the route through the channel tunnel. However, the proposed single bore tunnel will have capacity for four trains per hour in each direction.

Mr Jim Cunningham (Coventry South) (Lab): The Secretary of State's response to the hon. Member for North Warwickshire (Dan Byles) will bring little comfort to people in Warwickshire or those living on the outskirts of Coventry. I wish to ask the Secretary of State specifically about the increase in the frequency of service between Coventry and London that he mentioned in his statement. Does he understand that what will anger a lot of people is the blighting, which can go on for many years? What sort of compensation scheme will he offer? Normally, such schemes are based on market values, but the market value of some of the properties involved is set to drop drastically. Can he answer that one?

Mr Hammond: The consultation will set out the proposals for compensation. Of course compensation arrangements have to be based on market value, but they should be based on the unblighted market value of the property in question. On the frequency of services from Coventry to London, one of the points that I have tried, on several occasions, to make to the hon. Gentleman and to other hon. Members is that the west coast main line will change radically in nature once this railway is built. It will no longer be primarily about long-distance trains from Scotland, Preston, Manchester and Liverpool; it will be about long-distance commuter services. Places such as Milton Keynes and Coventry will be well within commuting range of London with fast commuter services. I say to him that if he looks around the south-east, he will find that one of the great drivers of prosperity is the ability of people to get into London quickly and reliably on frequent services. The ability to extend that to stations on the west coast main line will greatly benefit the population of those areas.

Stephen Hammond (Wimbledon) (Con): I commend my right hon. Friend on his statement and the speed with which he has brought forward these proposals. He is particularly right to reject some of the criticisms of the Opposition, because I recall that their conversion came only with Lord Adonis and that proposals for anything beyond Birmingham were tacked on only in March this year. What discussions has my right hon. Friend had with Transport for London? Beyond Old Oak Common, what dispersal measures will be needed in London?

Mr Philip Hammond: By the time the HS2 railway is built, the improvements and upgrades to the Northern line—for which we confirmed our investment funding in the recent spending review statement—will be completed. Dispersal will take place, it is estimated, with about one third at Old Oak Common, with passengers dispersing principally on to Crossrail, and about two thirds at Euston, with the upgraded Northern line. I have also asked HS2 to consider remodelling the station at Euston, so that Euston Square station can be incorporated into the main Euston station, giving access to additional underground lines.

Mr Tom Watson (West Bromwich East) (Lab): These things are never easy, and the Secretary of State has said that he has done a lot of listening. When he sets up the roadshows for the new proposals, will he personally attend them to hear what citizens have to say about his new plans?

Mr Hammond: I am not sure that that will be practical, in view of the number and frequency of the roadshow events. I can absolutely assure him that I will attend at least one—probably more than one—but I certainly cannot promise to attend all of them. Perhaps I might elaborate on this point. We intend to hold specific, locally focused roadshows at multiple points along the line of the London to Birmingham part of the route, where the exact route alignment has been defined. We envisage that those discussions will mainly be about local impacts. We also intend to hold a series of more broadly based meetings across the UK to discuss the broader principles of high speed rail and some of the more strategic issues about the route choices.

Andrew Stephenson (Pendle) (Con): I welcome my right hon. Friend's announcement, which I believe will help address the north-south divide. Has he made a detailed estimate that is available to Members of the huge economic benefits of this scheme to the north of England?

Mr Hammond: A full business case showing the economic benefits of the proposed railway will now be updated on the basis of the route that I have set out today. That will be published at the commencement of the consultation in February.

Graham Stringer (Blackley and Broughton) (Lab): I am suspicious, even though I do not want to be. I want to give the Secretary of State complete support, but 90% of investment in railways already goes into the south-east. As he said, £2 billion a year goes into Crossrail and £2 billion a year into Thameslink. Now he is suggesting that another £2 billion a year should go into the Birmingham-London link. It would partially

[Graham Stringer]

remedy the north-south divide if the work was started in the north and moved to the south. If he cannot do that and really wants the support of northern MPs, the hybrid Bill should cover the lines to the north, too. Will he consider that?

Mr Hammond: I understand the hon. Gentleman's suspicion. It is in the blood, I suspect. I also understand his point, and it would help to allay these concerns if, in some way, we could include in the first hybrid Bill specific commitments to Manchester and Leeds. We cannot include detailed route alignments and land acquisition because that would make the Bill vast and it would probably be in Committee for about five years. I take on board his points, and also any suggestions he might have about how we might do that practically, which is something that I have also discussed with my predecessor. Everyone who wishes this project well understands the need to give strong reassurance to those communities around Manchester, Leeds, South Yorkshire and the east midlands that stand to benefit from the second phase.

Stuart Andrew (Pudsey) (Con): May I, too, offer my best wishes and support to you, Mr Deputy Speaker?

Having travelled down this morning on a very packed train from Leeds, may I say how much I welcome this statement? I am looking forward to seeing HS 2 come to Leeds. Given that trains going in and out of the station in Leeds are expected to see a 40% increase in the number of passengers, what extra capacity does the Secretary of State think that HS 2 will bring to the long-suffering passengers in Leeds and the north of England?

Mr Hammond: The route will more than triple the potential capacity available to passengers. I suspect that the very packed train that my hon. Friend experienced this morning might have been due to some specific problems on the east coast main line caused by overhead cable difficulties. I welcome his support. This will be a major deliverer of economic regeneration to Leeds and, in the next economic cycle, I hope that Leeds can resume the dash for growth and regeneration that it has so clearly pursued over the past few years.

Mr William Bain (Glasgow North East) (Lab): The Secretary of State will be aware of the strength of support among the Scottish business community and the Glasgow and Edinburgh economic partnership for the principle of extending high speed rail to Scotland. When does he expect to open detailed discussions with the Scottish Government about the financing of high speed track in Scotland, should the Scottish Government decide to accommodate that? Can he give us an indicative timeline, if those discussions prove successful, for when we might expect to see high speed track in Scotland?

Mr Hammond: It is important for the hon. Gentleman to note that the benefit is incremental. Once we have high speed to Birmingham, that will shorten journeys to Glasgow and Edinburgh, and once we have high speed to north of Manchester, that will shorten them still further. We are committed to discussions with the Scottish Government, but that would be a third phase to the project—we have to get to Manchester and Leeds first. The appropriate time to start discussing that third phase will be when we start the detailed design work on the second phase.

John Hemming (Birmingham, Yardley) (LD): Can we support High Speed 2 as a movement toward sustainability and welcome the Government's communication with people? I refer particularly to the extension to HS 1, which allows the modal shift from airlines to railway usage. Will the Secretary of State consider supporting the way in which the A45 is to be moved to within Birmingham international airport so that the runway extension is in place for when High Speed 2 comes through?

Mr Hammond: The hon. Gentleman has thrown a slightly separate question at me there, but I can confirm that I have had discussions with Birmingham airport, and indeed the NEC, and they are strong supporters of the project. Like many others, they see it as opening up huge opportunities for them.

Birmingham airport will be about 30 to 35 minutes' travel from London Heathrow on the high speed rail link. That is less time than it currently takes, with a fair wind, to get from terminal 4 to terminal 5 at Heathrow. The opportunities are quite significant.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Returning to Birmingham, but this time to the spur that goes into Birmingham, I was intrigued by the Secretary of State's announcement on compensation and enhanced compensation schemes. Do they apply only to the main line or also to the spur into the centre of Birmingham? As well as applying to private individuals, do they apply to institutions such as universities with halls of residence that are somewhat inconveniently located on some of the routes?

Mr Hammond: The exceptional hardship scheme, which is the scheme in place to deal with people who have an urgent and pressing need to move and cannot do so because of the effects of uncertainty around the proposals, applies to the complete alignment of the route into Birmingham. It applies to residential properties, but not to commercially owned properties. It is unfortunate that the halls of residence to which the hon. Lady refers—a virtually new building—sit across the route of the railway. If the railway goes ahead, that commercially owned property, or at least part of it, will have to be demolished and full compensation will be paid. I expect that it will be rebuilt in full with the proceeds of that compensation.

Mr Deputy Speaker (Mr Nigel Evans): I call John McDonnell—I am sorry, I mean Jeremy Lefroy.

Jeremy Lefroy (Stafford) (Con): Thank you, Mr Deputy Speaker. I thank my right hon. Friend for his statement. He said that after the first stage of the project is complete, trains will run on the existing west coast main line northwards. Given the limit on the number of train paths on that line even now, what effect will that have on existing services and timetables?

Mr Hammond: The major constraints on capacity are south of Manchester, particularly on the Birmingham to London stretch, but clearly there will still be constraints

on capacity as there is not infinite capacity available. We expect a significant proportion of train paths in the early days will be on the London to Birmingham and London to Manchester routes with a smaller number going on northwards, reflecting current patterns of passenger demand.

Mr Deputy Speaker: And now the ever-patient John McDonnell.

John McDonnell (Hayes and Harlington) (Lab): Thank you, Mr Deputy Speaker. I say to the Secretary of State that I am just grateful we are getting a train set for Christmas and not a third runway at Heathrow. He has referred to the Heathrow link, the Mawhinney review and the Arup proposals for a transport hub near Iver and has concluded that there should be a spur to the airport running close to the M25. Does that mean that the Iver hub will or will not take place?

Mr Hammond: We do not favour the proposal for the Iver hub as a way of delivering high speed rail passengers into Heathrow. It is worth noting that the proposals that Arup worked, up on its own account—it was not commissioned to do so—around the hub at Iver were originally intended as a proposal for getting traffic from the Great Western main line into Heathrow. HS 2 came along as a bit of an add-on to that proposal, and Arup may still wish to pursue it as a proposal that is of interest for that purpose, but it is not our preferred route for getting high speed rail passengers into Heathrow.

Severe Winter Weather

5.25 pm

The Secretary of State for Transport (Mr Philip Hammond): With permission, I would like to make a statement on the continuing severe winter weather. We are facing exceptional conditions. It looks set to be the coldest December since 1910 with average temperatures 4°C to 5°C below the norm for December. Many areas have had record low temperatures, and snowfall has been the most widespread since 1981. The forecast is for continued severe cold and further snowfall through the coming week and over Christmas and the new year.

Transport services have suffered extensive disruption in the past few days, and there is a likelihood, I am afraid, of further disruption through this week. I recognise that this is particularly stressful just a few days ahead of the Christmas break, and I understand the frustration of those who are trying to get away or, indeed, trying to get home.

Transport services were also disrupted in the first spell of winter weather that came unusually early, at the end of November. That period tested the systems which, in some case, had performed so very poorly earlier this year. The then Government asked David Quarmby, chairman of the RAC Foundation and a former chairman of the Strategic Rail Authority, to conduct a review of last winter's resilience. His initial report was issued in July and a final report was published in October. It made 28 recommendations, some of them directed at central Government, some at local government, and some at transport operators. Many of those recommendations have already been implemented, although some will necessarily take longer.

On 2 December I asked David Quarmby, in the light of the weather conditions that we were then experiencing, to conduct an audit of the implementation of his recommendations and to make any further observations that he felt necessary. This is an independent report and I understand that David Quarmby intends to publish it tomorrow.

One of the principal recommendations of the first Quarmby report concerned salt—levels of stocks that local authorities should hold, dosage rates for optimum use of stocks and the acquisition of a strategic stockpile by central Government. Local authorities went into this period with significantly better salt stocks than last winter and the Highways Agency, on the Government's behalf, had purchased 300,000 tonnes of salt to form a strategic stockpile, of which over 150,000 tonnes is already at UK ports, with the remainder scheduled for delivery through December and early January.

Over the past few days, highway authorities across England have been focused on delivering their planned salting and snow clearance to keep their local strategic road networks open. Together they had ready some 1.25 million tonnes of salt at the start of the winter. As hon. Members would expect, salt usage has been significantly above the norm for the time of year and so my Department decided two weeks ago to procure, as a precautionary measure, up to an additional 250,000 tonnes of salt, to replenish the strategic stockpile as salt from it is released to local authorities. Last Friday the Department for Transport offered 30,000 tonnes from the strategic stockpile to local authorities to provide reassurance over the holiday period. That allocation has been taken up and will be delivered over the next few days.

[Mr Philip Hammond]

The strategic road network inevitably suffered severe disruption in the wake of heavy snowfall this weekend, but recovered reasonably rapidly and, with isolated exceptions, has operated effectively since Saturday afternoon. Similarly, heavy snow and the formation of ice at very low temperatures caused some disruption on rail networks on Friday and Saturday, but the rail industry has pulled together to keep essential services running, using special timetables where necessary, and I am pleased to report that commuter services into main conurbations this morning are close to normal. Transport for London has successfully followed its winter weather plans and has been able to run a near-normal service across its network. However, issues with Eurostar are ongoing and have been well reported today, including the impacts of very severe weather in northern France.

Disruption due to weather conditions of this extremity is inevitable, and the measure of resilience is the networks' speed of recovery from such events. On that measure, the strategic road network and the rail network have performed broadly satisfactorily, in view of the exceptional circumstances. The experience at airports, and at Heathrow in particular, has however been different. Conditions have been difficult throughout north-west Europe, with Frankfurt, Charles de Gaulle and Schiphol airports all struggling to cope at times. This afternoon, just before I came into the Chamber, it was being reported that Brussels airport will close until Wednesday because it has run out of de-icer. But, yesterday's whole-day virtual closure at Heathrow, coupled with continued substantially reduced capacity, presents a very real challenge from which the system will struggle to recover quickly.

I spoke this morning to BAA, the airport operator, and to British Airways, its principal user. I am clear that BA made the right call on Saturday to cancel its flights in anticipation of the airport's closure. Had it not done so, the scenes of the terminals on Saturday night that we witnessed on our TV screens could have been much worse.

Heathrow operates, at normal times, at some 98% of full capacity, so when there is disruption caused by snow or by the need repeatedly to close runways or taxiways for de-icing, capacity is inevitably lost and a backlog builds up. There is still a large amount of work to be done to restore Heathrow to full capacity, and further snow and severe icing is anticipated over the next few days.

The immediate focus at Heathrow must therefore be on maximising the number of flights with the available infrastructure, and in order to do that I agreed with BAA this morning to a relaxation of restrictions on night flights for the next four days. Operating hours will be extended until 1 am, and arrivals for repatriation flights will be allowed through the night. None the less, BAA advises that, with further severe weather forecast, Heathrow is likely to be operating at reduced capacity until Christmas.

Conditions in the terminals overnight on Saturday were very difficult, with some 2,000 passengers stranded. Once the airport has returned to normal operation, my officials will work with BAA to understand how that situation arose and what it plans to change to ensure that we do not experience a repeat. It is clear from my discussions this morning that some preliminary conclusions have already been drawn.

We recognise that the cost, both economic and social, of this level of disruption can be great. Winters such as this year's and last have been rare in modern Britain, but we need to consider whether we are now seeing in our weather a step change that might justify investment in equipment and technologies to reduce the impact of severe weather. I will assess advice on that subject from the Government's chief scientific adviser, Professor Sir John Beddington, and we will work with transport operators to examine the business case in each sector for increased investment in winter resilience where that makes sense—recognising always that spending more on winter preparedness inevitably means that there will be less to spend on other priorities.

This is not just about making sure that people can travel and goods can be delivered. Disrupted transport links, combined with cold weather, increasingly impact on other essential services. In particular, they threaten the vulnerable in our communities. To help those most in need to stay warm in the coldest parts of the country, the Government have so far this winter paid out some £355 million in cold weather payments, through an estimated 14.2 million payments to affected households. In addition, winter fuel payments for pensioners have been protected at the higher rate for this winter, with 12.9 million payments made to those older people who meet the qualifying conditions. We have also taken precautionary steps to ensure that the health services are well prepared, with local plans in place to deal with the extra demands that this type of weather brings.

Despite those steps, weather of this severity can cause unexpected problems for many people, including those who would not normally consider themselves vulnerable, but who might be in serious difficulty if, for example, their boiler breaks down or they cannot get to the local chemist to collect their medication. With support from the Government, the Local Government Association will therefore work closely with local authorities in England to ensure that appropriate arrangements are in place across the country. Individual local authorities will publicise information locally on how to access those advice services ahead of the Christmas holiday period.

Severe weather poses significant challenges to the energy supply industry. Difficult driving conditions have affected fuel oil and coal suppliers' ability to make deliveries, particularly to more remote areas away from the strategic road network. That has resulted in delivery backlogs, which suppliers have been working hard to reduce in difficult circumstances. Distributors are doing all they can to prioritise deliveries to vulnerable customers and to people who are running short of fuel. Working with the Government, the Federation of Petroleum Suppliers has issued a code of practice to its members to help them prioritise orders to those most in need and to alert local authorities when they are aware of a risk of potentially vulnerable households running short of heating oil.

The severe weather has also led to a very high forecast of demand for gas, which is expected to be more than 26% above the normal for this time of year. As a result, the National Grid issued a gas-balancing alert yesterday to provide a signal to the market to bring on additional supplies and to reduce demand from large users on interruptible contracts. There is no reason to expect any disruption to domestic customers, or to commercial customers unless they have interruptible contracts. My right hon. Friend the Secretary of State for Energy and

Climate Change has today issued a written statement that provides more information on that issue.

Nationally, we will continue to do whatever is necessary to support essential services and provide advice to businesses and householders on steps they can take to help themselves and others. So, for example, we have published a snow code to give common-sense advice to householders and businesses to help them clear snow and ice safely from pavements and public spaces without fear of legal action. As an emergency measure, we have relaxed the enforcement of EU drivers' hours and working-time rules to mitigate the effect of the severe weather on critical parts of the supply chain that have been badly hit by the weather. We published guidance for local highway authorities on the range of actions that can be taken to ensure optimum use of salt stocks, and over the next few days we will publish updated technical advice based on the latest research findings, so that all authorities can adopt best practice. We have also confirmed to farmers that they can use red diesel in tractors and other equipment to help salt and clear snow from public roads during extreme weather.

We are not yet through this period of extreme weather. My priority at the moment remains working with the transport industries to allow us to return to normal as fast as the continued freezing temperatures this week permit. I will also be working with ministerial colleagues and officials from other Departments, with whom I have been in contact daily since Friday, to continue monitoring the situation, assessing the risk of further disruption and taking whatever action is needed. Those arrangements will continue for as long as necessary through the holiday period. I can assure the House that wherever Government action can help to ease the impact of severe weather or mitigate its effects, we will not hesitate to take such action. I commend this statement to the House.

Maria Eagle (Garston and Halewood) (Lab): I thank the right hon. Gentleman for updating the House. After a weekend of chaos across the country, during which there have been severe transport problems on our roads, railways and runways, families struggling to get together for Christmas are furious that they have spent hours stuck in their cars at stations or airport terminals. What has really frustrated people has been the total lack of information available. They understand that things will go wrong when we experience such severe weather and no one—not even me—is suggesting that the Government can, or ought to be able to, control the weather. However, the Government should be able to control how prepared we are for that weather, and they can co-ordinate information so that those travelling can make and alter their plans accordingly.

Right from the first hit of severe weather at the start of this month, the right hon. Gentleman and his Department have seemed woefully ill-prepared for winter, despite the fact that the report on winter resilience that we ordered in government has been sitting on his desk since July. The 17 recommendations in the interim report and the 11 recommendations in the final report have clearly not been put into action with the urgency that they demanded. At the last Transport questions, he said that those recommendations had been implemented, yet in his statement he said that some of them will necessarily take longer. Well, which is it?

The reality is that Transport Ministers were caught off guard by the arrival of winter early this year, and failed to keep the country moving at a time when so many people need to travel to be with their family and friends. I am afraid that some of the right hon. Gentleman's words today still sound complacent. Why was only 100,000 tonnes of salt for the roads in place at the start of the month, when the report said that 250,000 tonnes was needed? Can he confirm which local authorities currently have salt stocks below the new benchmark of 12 days' worth of salt? What conversations has he had about services to deal with the abandoned cars and jack-knifed vehicles that have caused much of the delay? What steps has he considered to manage traffic flows better—for example, by not letting people join a motorway such as the M5 when it is already blocked, so that they will end up sitting in their cars not going anywhere? He said in his statement that the strategic routes have operated effectively since Saturday afternoon or evening: tell that to the people who were stuck for 13 and a half hours on the M40 trying to travel towards London.

On our railways, why does the update report that the Secretary of State has received in the past few days contradict the claim that the rail industry has sufficient equipment? Why are essential measures such as anti-icing capability on trains and new hot fluid distribution on to tracks not going to be in place until February, according to the most recent update—a little bit too late?

Does the Secretary of State accept that the most frustrating thing for passengers is lack of information? Why is it, therefore, that the new unified national real-time passenger transport information system to allow passengers to find out where their trains actually are, not what the timetable says, will not be in place until 2014? He said that the railways had kept essential services running and that commuter services were running well and close to normal, but people were stuck at Peterborough and King's Cross last night with very little information about when the east coast main line was going to get back to normal.

The chaos that we have seen at our major airports is not only unacceptable but risks damaging our international reputation. It is just not good enough to pass this off as a private sector problem, as the Secretary of State did earlier. Passengers stuck at Heathrow and Gatwick for days on end have every right to feel abandoned by this Government. Other countries have kept planes flying and airports open, yet here passengers have been left on planes for hours on end without food and drink, and others have been forced to sleep on terminal floors with no blankets and poor information. The winter resilience report found that those in the aviation sector

"anticipate and manage the effects of severe winter weather to a very high standard of resilience".

That is surprising given what we have seen in the past few days. Will he examine whether there has been any complacency among those at our airports? He referred to some preliminary conclusions following his conversations today, but he has not told us what they are. It might be useful to know.

Is it not the case that the chaos that we have seen has as much to do with this Government's values as their competence? The Prime Minister's close ally, the hon. Member for Grantham and Stamford (Nick Boles), gave the game away this weekend when he said:

[Maria Eagle]

"I mean, bluntly, there comes a question in life...Do you believe planning works...or do you believe it can't work? I believe it can't work. David Cameron believes it can't, Nick Clegg believes it can't. Chaos therefore in our vocabulary is a good thing."

The right hon. Gentleman has obviously volunteered his Department to pilot this new approach to government and become the official Department for Chaos. He is doing quite well, actually. No wonder he has been dubbed the "No Transport Secretary" this morning.

People want competence from Ministers. They want good-quality information when disruption happens. They want co-ordination of recovery and mitigation across the entire system. They want help when they need it; they do not want to be left to fend for themselves as though there were no such thing as society. Will the right hon. Gentleman now learn the lessons of the past month and finally get a grip on the transport chaos that threatens to see Christmas cancelled for families up and down the country?

Mr Philip Hammond: After a heavy dump of snow, we have had a heavy dump of political opportunism from the hon. Lady. She talks of chaos, but does she remember the chaos last year when the Government of whom she was a member ran out of salt and had to stop gritting the roads because they had not bought enough of the stuff? They had not prepared at all. I will take no lectures from her on preparedness. Local authorities, the Highways Agency, rail operators and Network Rail have all entered this winter better prepared than they were last winter.

The hon. Lady talked about Quarmby's interim report and final report, and the implementation of his recommendations. Of course action on some of the recommendations has not been completed yet—it requires capital investment and the procurement of new equipment, such as de-icing equipment for trains in the south-east. The first of that equipment has been delivered and fitted, and is undergoing proving trials. As soon as the proving is complete, the remaining 20 units will be rolled out. She cannot sit here with no plan, no suggestion and nothing constructive to offer, simply lobbing rocks from the sidelines, and expect to be treated seriously. As for our delivery on Quarmby's recommendations, I suggest that she wait to see his report on the audit that he has carried out. He is their man, he was appointed by their Government, and he is now auditing our response to his recommendations. She should wait and see what he has to say before making such ridiculous points.

We were not caught off guard by the onset of winter, but we were caught off guard by the severity of the weather, as was everybody in this country. The hon. Lady asked about the recommendation that a strategic stockpile of 250,000 tonnes of salt be built. The Highways Agency has purchased 300,000 tonnes of salt, 156,000 tonnes of which has been delivered. The remainder is scheduled to be delivered over the next three weeks. If one is building a strategic stockpile, there is no need to replenish local authority stocks throughout the length of the winter, nor for every last ounce of it to be sitting in place on 30 November.

The hon. Lady asked how many local authorities are below the 12 days' resilience level recommended by Quarmby. That threshold was recommended for the beginning of winter. Of course, many local authorities that were operating at or close to the threshold are now considerably below the 12 days' resilience level, although some local authorities have much more substantial stocks. If they wish, local authorities will be resupplied from the strategic reserve that we have built. In turn, the strategic reserve will be replenished from the salt that we are currently sourcing from locations across the world, including south America, the middle east, India and Australia.

The hon. Lady asked about vehicles joining motorways. The police have powers to prevent vehicles from entering a motorway, if they deem it appropriate to do so.

The hon. Lady also mentioned the situation at the airports, and I am happy to agree that what has happened at Heathrow airport is not acceptable. We have to work with the airport operators and the airlines to work out how to avoid such situations. I can give her further clarification on the early conclusions that have been shared with me by the airport operator. It recognises that it was a mistake to continue trying to operate the schedules that it was using on Saturday, and that it should have made a decision earlier to cut severely the number of flights departing and arriving, so that the airport would not be congested with aircraft when the snow came in. That is the kind of practical lesson learning that must be done. We will work with the airport operators to ensure that next time such lessons are learned and implemented.

Finally, the hon. Lady had the audacity to ask why the rail equipment that Quarmby recommended in his October report is not in place and operating. The answer is clear: Labour did not order it when it was in government. We have ordered it, but it does not appear by magic, simply by snapping your fingers; these things have a lead time and must be done properly. The equipment will be in place by the end of the winter, and it will make our railways operate more effectively.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Northumberland has had very heavy snowfall over a very long period, so I welcome the efforts being made to get domestic oil deliveries to remote homes, where people are getting really desperate. May I ask the Secretary of State to talk to his colleagues in the Department for Communities and Local Government? Local authorities such as Northumberland are having to spend heavily from their reserves to keep roads open, at just the time when that Department is saying that using reserves is the way to fund redundancies.

Mr Hammond: My understanding, which the Local Government Association confirms, is that all local authorities are saying that they are adequately funded to deal with the contingencies of the severe weather, and that funding constraint will not be a problem in responding to the situation this winter.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): In this exceptional weather, can the Secretary of State assure us that he has adequate means of becoming aware of the emerging problems as well as the current ones? Will he explain the powers and influence that he is ready to use to alleviate the situation, whether by providing additional resources, improving co-ordination or ensuring a better flow of information?

Mr Hammond: We are operating a cross-departmental ministerial team approach, because we need to consider matters such as health, the protection of vulnerable people and energy supplies. There is also a huge role for local government in responding to a situation such as the current one. We are receiving four-hourly update reports on the situation, including Met Office forward forecasts, and over the past few days we have been convening daily to consider the current situation, the expectations for the next 24 hours and the actions that are needed. As I said in my statement, when there is something that the Government can do, bearing in mind that we do not own or operate many of the transport networks—such as relaxing the ban on night flying at Heathrow or the restrictions on drivers' hours—we will do it.

Mr Peter Bone (Wellingborough) (Con): I spent eight hours at Heathrow terminal 3 on Saturday, and there was no information whatever about what was happening to flights. On the other hand, people who were due to fly with British Airways from terminal 5 had advance notice and did not travel to the airport. The question must be: why did operators such as Virgin Atlantic not cancel their programmes? Will the Government look into that?

Mr Hammond: We will, and my hon. Friend's question has to be addressed to the operators. British Airways made the call on Saturday morning to cancel all flights, because it considered it certain that the airport would have to close. I have spoken to Willie Walsh today, and he has told me that based on the forecast he saw on Saturday morning, any airport anywhere in Europe, bar none, would have had to close. BA therefore made the decision to pull all its flights.

The lesson that is emerging for BAA, which it will take away from the situation, is that it has to be more proactive in examining forward forecasts, and that when airlines do not make a decision to stop flights, the operator might have to make that decision for them, to avoid large numbers of people being stranded in terminals.

John McDonnell (Hayes and Harlington) (Lab): I hope that the Secretary of State will join me in thanking many of my constituents and their colleagues who work at Heathrow for trying to get the airport open and fully operational again in the most difficult circumstances.

I join the hon. Member for Wellingborough (Mr Bone) in saying that the lesson to be learned from the last occasion when such a problem occurred, although not on the same scale, was about information. We thought that lesson had been learned. BAA and the individual airlines must be required not only to take decisions soon enough, but to communicate them proactively and directly to customers travelling with them.

Mr Hammond: I am grateful to the hon. Gentleman for giving me the opportunity to record my thanks, and the thanks of the Government, to the hundreds of workers who have been out, often in temperatures of minus 10°C or minus 11° C, clearing snow and de-icing through the night, as well as caring for passengers stranded in terminals. They have done a fantastic job, and I am afraid they will have to go on doing that fantastic job for the next few days.

The hon. Gentleman is also right to focus on information. Nobody likes to have their travel plans disrupted, but one of the interesting features of human psychology is that somehow, things are never quite as bad if people know what is going on. As he will know, we have committed to introducing an airport economic regulation Bill during this Parliament. One thing that we are committed to doing in that Bill is ensuring that airport operators' financial incentives are clearly aligned with the needs and interests of passengers. I will ensure that supplying information is part of that matrix, so that the operators will do it because it is in their financial interests. That certainly seems to be a motivating factor.

Tracey Crouch (Chatham and Aylesford) (Con): The Secretary of State will be aware that a delegation of Kent MPs recently met the management of Southeastern Trains to discuss the chaos and deep passenger dissatisfaction caused by the bad weather a few weeks ago. The latest conditions have yet again led to much disruption to services for Southeastern passengers. When the franchise is considered for extension in 2012 will he consider, among the other necessary factors, Southeastern's poor service delivery during adverse weather?

Mr Hammond: Of course we examine the performance of train operators, and it is absolutely right that Southeastern's performance was very poor during the bout of cold weather at the end of November. However, in the current weather conditions, the information that I have on Southeastern's performance over the past 72 hours is far less clear-cut. The disruption has been no more than is to be expected in the extreme weather, and as I understand it, commuter services into London on Southeastern by and large operated normally this morning.

Mr John Spellar (Warley) (Lab): The public expect Ministers to be players, not just spectators. Snow happens, but it is the urgency of the response that matters. The Secretary of State said nothing about whether Cobra has been meeting, nothing about what the Government offices are doing to co-ordinate their response, and very little about what he has done with the various companies and airports. He has not said whether he has asked them why they do not have senior management down there dealing with the problems, why the train companies have not got information to people who have waited for hour after hour on trains and platforms, or why the police are not taking action to get people off the motorway. With the Secretary of State for Energy and Climate Change sitting next to him, he did not say why he has not done anything about the exploitation of fuel oil and bottled gas. Does he think that that is why he is rumoured to be one of the early victims of the new year reshuffle?

Mr Deputy Speaker (Mr Lindsay Hoyle): May I say that we want very short questions? Obviously, it would be helpful—*[Interruption.]* Order, Mr Penning. It would be helpful if the Secretary of State could also shorten his answers, although I understand that this is a very important subject.

Mr Hammond: I can shorten the answer to that question, Mr Deputy Speaker. The right hon. Gentleman offered nothing constructive, and people watching will see that he has nothing to offer except a meaningless

[Mr Philip Hammond]

rant. I told him in the statement that a cross-ministerial team is meeting regularly and that regional resilience teams are in operation.

What is the right hon. Gentleman talking about, saying that none of the senior management are at airports? Of course senior management, both of the operators and the airlines, are there managing the situation hands-on. He had better ask the police why they are not taking action, because they take the action that they believe is appropriate.

As for fuel, my right hon. Friend the Secretary of State for Energy and Climate Change has asked the Office of Fair Trading to look into—*[Interruption.]* Labour Members seem to think that we should introduce some kind of Moscow-style central control over everything. The fuel oil business in this country is operated through hundreds of small independent firms, and if price collusion or illegal activity is driving up the price to consumers, the OFT will report back to my right hon. Friend and he will take the appropriate action.

David Tredinnick (Bosworth) (Con): Will my right hon. Friend explain why some operators stopped flying when runways had been cleared and were still open? Secondly, why did it take four hours to remove a tanker from the M1, the country's main arterial road, on Saturday afternoon, resulting in massive delays for southbound traffic?

Mr Hammond: I am not sure whether my hon. Friend is referring to a tanker accident on the M25 on Saturday afternoon.

David Tredinnick *indicated dissent.*

Mr Hammond: There are problems in recovering tankers after accidents. I am aware of the accident on the M25, after which there was some possibility at first of having to pump the contents out of the tanker before it could be moved. In the end the fire brigade allowed it to be moved without the contents being removed, shortening the closure of the motorway by about three and a half hours.

Mr Tom Watson (West Bromwich East) (Lab): What my right hon. Friend the Member for Warley (Mr Spellar) was asking for was leadership. People are sleeping on airport floors, being turfed off trains, and frozen in their cars, and they are cold in their homes because they are not getting deliveries of domestic fuel. Where is the Prime Minister? He is the invisible "Cam", but he should be taking the leadership position on this.

Mr Hammond: I can tell the hon. Gentleman that people who are sleeping on airport floors and who are having their travel plans disrupted are not helped by such ridiculous rants from him and his colleagues. Those people need a calm, measured and considered response to the problems, which is what the Government are giving. This is an extreme weather event, and this Government will do better than the previous Government did last year.

Mr Edward Timpson (Crewe and Nantwich) (Con): In his statement, the Secretary of State touched upon the steps that are being taken to ensure that health services are well prepared throughout this cold snap, but he will also recall that last winter, a number of A and E departments were forced to close because of the severe weather, including ones close to my constituency. What discussions has he had with the Department of Health to ensure that the emergency services, and particularly the ambulance service, are given robust support to ensure that they can continue to give a full service throughout this difficult time?

Mr Hammond: I have been in discussion with my right hon. Friend the Health Secretary. As I understand it, this morning, there were no major problems across the NHS—all NHS services are operating reasonably well. Of course, there have been isolated problems of getting staff into hospitals. In some cases, including in my county, Surrey, local 4x4 owners have volunteered to drive staff to A and E departments. Such voluntary action will help to reinforce the resilience of the NHS. Ambulance services are coping well at the moment, but if there are difficulties, the military stands ready to provide support with 4x4 vehicles if it is needed.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The last time the Secretary of State gave a statement on the weather, I asked him about winter tyres. He told me that he did not think them appropriate for this climate and this country, and indeed that David Quarmby looked at the matter. Try as I may, I could find no reference to winter tyres in the Quarmby report. The only advice I found was from the Highways Agency, which says:

> "The safest option in these conditions is to fit winter weather tyres which are specifically designed to provide extra grip and improved levels of safety".

Will the Secretary of State please now reconsider his response?

Mr Hammond: I am grateful to the hon. Lady for giving me the opportunity to clear something up—I clearly mangled my words in my reply to her. I was trying to convey that in the circumstances of the UK, and given the cost of fitting winter tyres, I do not believe it appropriate to mandate their use. However, I am happy to confirm on the record that for those who can afford winter tyres—not just the cost of buying them, but the costs of putting them on and changing them back at the end of the winter, and of storing summer tyres—they provide significant additional grip for motoring in such cold conditions.

Snow chains, however, are a different matter. It is illegal to use snow chains on roads that are not covered in compacted snow, because they cause considerable damage to the road surface.

Matthew Hancock (West Suffolk) (Con): Will the Secretary of State join me in commending the nation's army of gritters who were out overnight—in Suffolk, that involved temperatures down to minus 12°C—to keep our roads open? Will he also answer a question that was put to me by several constituents? Can he continue his steadfast and solid leadership of the past few days, rather than responding to the histrionic opportunism displayed by the Labour party?

Mr Hammond: My hon. Friend makes an important point. People who are watching this debate on the BBC News channel in an airport terminal will not find the

laughter and hilarity of Opposition Members, or the unconstructive rants from some but not all Opposition Back Benchers, at all edifying or helpful to their cause. I am happy to join him in commending the stalwart work of the people who man the fleets of gritters, who are out every night in all conditions doing their important work.

Mr David Hanson (Delyn) (Lab): What assessment have the Government made of the ability of aircraft and train operators to advise people who have been delayed of their statutory rights in respect of compensation? In slower time, will he arrange to meet insurance companies to ensure that they respond positively to the demands of people who have missed trains and flights, and had holidays ruined, or who have had pipes burst or damage done to their homes?

Mr Hammond: The right hon. Gentleman raises some important points. I can tell him that the Treasury has been talking to the insurance companies to ensure that people have the appropriate information and that companies can respond to inquiries about the extent of their cover. Often, those people will be in a real-time situation—stranded in an airport, for example—and will want to know what costs they can and cannot incur in trying to complete their journey. That is important.

The right hon. Gentleman will be aware that there have been developments in the past year or so in European jurisprudence with regard to compensation arrangements and the obligations on airlines to look after people who are stranded at airports. However, when the problem is caused by, for example, extreme weather conditions, compensation would not normally be payable as such.

Tom Brake (Carshalton and Wallington) (LD): What discussions has the Secretary of State had with Southern Railway about its performance during this bad weather? Do Southern Railway and Network Rail need to invest in snow-clearing equipment to ensure that services run more smoothly in future?

Mr Hammond: I can tell my hon. Friend that I had a conference call with Southern Railway management and Network Rail's route director on Wednesday afternoon to talk about their preparations for this bout of cold weather. We also spoke about some of the medium-term plans—I hesitate to call them that, but I am talking about plans for beyond the end of this week. They are looking to install experimental heated rail sections as well as to invest in additional clearance equipment. Clearing snow and ice from the railway is primarily a Network Rail responsibility, but train operators are increasingly considering installing anti-icing equipment on their trains to supplement what Network Rail does.

Tony Cunningham (Workington) (Lab): Will the Minister at least consider additional funding for local authorities? In my area, the local authority is struggling desperately to keep streets open and roads clear, but an additional problem that people tend to forget is pavements. Many of my constituents are fearful of leaving their homes in case they fall, so will he at least consider additional funding?

Mr Hammond: As I said a few moments ago, local authorities indicate—the Local Government Association confirms this—that they will not have difficulty this year in funding their winter activities. However, the hon. Gentleman raises an important point about the extent of gritting and salting that local authorities plan to carry out. Those resilience plans will have been put in place well ahead of the winter, and they should be well publicised locally. In some areas, the plans will not include the salting and gritting of footways. I believe that there is a role for civic society to play in that. Many people, if they can get their hands on a supply of salt and grit, would be prepared to shovel a bit on to the pavements around their homes and their neighbours' homes. I commend local authorities that have taken action to make supplies of salt and grit available for such neighbourly action.

Justin Tomlinson (North Swindon) (Con): Does the Minister share my concerns that in stark contrast to the excellent work of many local authorities, developers responsible for unadopted roads all too often do not react quickly enough to adverse weather conditions?

Mr Hammond: I am afraid that I must tell my hon. Friend that the maintenance of unadopted roads is entirely a matter for the owners of those roads. Typically, that will ultimately be a matter for the owners of properties that front on to those roads, who often finance such work through their service charges. Like the rest of us, but through a rather different mechanism, they must decide whether they want to pay more in service charges so that they have a greater level of winter resilience for their roads.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Despite some of the heaviest snowfalls for decades in Newcastle, we managed to keep most of the public transport system going for most of the time. However, as my hon. Friend the Member for Workington (Tony Cunningham) said, many people found that they could not make it to the end of their streets because of ice and snow on the pavements. Given that, rather than simply commending councils that make grit available to local residents, is it not time for a requirement for people to have access to the grit that will enable them to get on with their lives?

Mr Hammond: The hon. Lady might revel in the thought of a centralised state where people in Whitehall press buttons and issue commands to local authorities, but we happen to take a different view of the world. Local authorities are responsible bodies answerable to their electors. They must make decisions about their priorities, and if they get it wrong, local residents know what to do about it.

Mr Tobias Ellwood (Bournemouth East) (Con): This time last year, the ramp leading down to the parliamentary car park was covered in snow. It closed the car park. I offered to clear it myself, but was told that I was not qualified to do the job. I said, "Well, I've done it before", but the answer came back, "Well, you can't do it because of health and safety". Will my right hon. Friend clarify the snow code he has introduced to ensure that we do not succumb to these ambulance-chasers? There are people in Britain who have that get-up-and-go attitude and who want to get out there and clean the streets, but who are worried about being sued under

[Mr Tobias Ellwood]

legislation and the direction of travel introduced by Labour, with health and safety getting such precedence. *[Laughter.]*

Mr Hammond: My hon. Friend is absolutely right. Labour Members may laugh, but they will remember this being a serious problem last winter, with people being afraid to clear snow and ice outside their homes and afraid to act as good neighbours. One of Quarmby's recommendations was that we publish a snow code, compliance with which would give people a high level of protection from civil action. We have done that, and I hope that people will respond by acting in that neighbourly fashion.

Nick Smith (Blaenau Gwent) (Lab): Will the Secretary of State confirm that the Government have failed to keep the emergency grit stocks at full capacity? Despite warnings of arctic blasts for weeks, grit stocks have been rationed, and emergency supplies are said to be 80,000 tonnes lower than they should be. If this is true, why has it happened and which Minister will be resigning?

Mr Hammond: I know that the hon. Gentleman is new and was not in the House last winter. He asked whether we are keeping emergency grit stocks at full capacity. There were no emergency grit stocks last winter. In fact, there were no grit stocks at all last winter. Local authorities and the Highways Agency have bought grit for their own use, and this year, for the first time ever, we have a strategic stockpile of salt—more than 300,000 tonnes of salt have been ordered for that stockpile, 156,000 tonnes of which have been delivered, and the remainder of which will be delivered between now and the middle of January. A further 250,000 tonnes have been sourced, and we are currently arranging transport to get it to the UK. I do not suppose that he has the faintest notion of the logistics involved in trying to uplift 250,000 tonnes of salt from around the world at short notice and to ship it to the UK in specialist vessels, so perhaps, before asking such a silly question again, he will think about what is involved.

Chris Heaton-Harris (Daventry) (Con): The Secretary of State will have noticed that the spirit of Christmas has augmented the already happy-go-lucky nature of the shadow Secretary of State. However, she made one serious point in her reply to the statement, and it was about information. Some companies are using premium rate telephone numbers to get information to travellers. Surely the Secretary of State will be able to use some of his fantastic influence to try to make these information lines free of charge in this current crisis.

Mr Hammond: My hon. Friend is right that in many cases the only lever we have over private companies is to apply pressure. This is the first I have heard of this issue, but if he has specific examples, I will be happy to follow them up.

Kevin Brennan (Cardiff West) (Lab): Many emergency and council workers will be working over the Christmas period dealing with the aftermath—and, indeed, the ongoing nature—of the weather conditions. Will the Secretary of State prove that he is not complacent by guaranteeing to the House that either he or one of his team will be in Whitehall during the recess, not at the end of the phone or travelling to some place else—not that they could—but at their desks, every day of the recess?

Mr Hammond: We have said—I said it in the statement—that we will continue with the arrangements in place for as long as necessary. We held teleconferences over the weekend with Welsh Assembly Government members, Scottish Ministers and regional resilience teams around the country. It is not practical to get all those people together in a single room—nor is it desirable when travel is dangerous and difficult—but I can assure the hon. Gentleman that the team in place will continue to monitor the situation on a daily basis for as long as it is necessary.

Mr Sam Gyimah (East Surrey) (Con): I agree with the Secretary of State that in these times, calm and focused action is more important than histrionic responses. Will he let me know what steps he has taken to ensure that the airport de-icer supply chain is sufficiently robust and resilient to cope with the adverse weather conditions over the coming days?

Mr Hammond: My hon. Friend raises a real issue. I talked to Gatwick airport on Wednesday, and it told me that it was full to capacity with runway de-icing fluid. By yesterday evening, however, it had used about 90% of those supplies, although fortunately it will be resupplied tomorrow. However, the supply chain for airport de-icer is tightly stretched, and we are monitoring the situation on a daily basis with operators. Alternative products can be—and are—used in other places around Europe, and if supplies get really tight, operators will have to display some flexibility.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): My constituents are now enduring their 23rd successive day of arctic weather. Schooling has been disrupted, the economy impacted and elderly and vulnerable constituents have effectively been imprisoned in their own homes for more than three weeks. Owing to the exceptional weather, North Lanarkshire council requested military assistance, but it was denied. Will the Secretary of State tell me now, or find out on my behalf, who took the decision to deny military assistance, and on what grounds?

Mr Hammond: I can look into the specific case, but I can tell the hon. Gentleman the general rules on the provision of military assistance. The Ministry of Defence will offer assistance to local authorities or other responders where the latter can demonstrate that no other means of delivering the required response are available. If contractors or own resources are available, military assistance will not normally be provided. Where the military has unique equipment, or where no alternative source of manpower is available, the MOD will look at requests sympathetically. We have to do it that way. We must not end up in a situation where local authorities think that they can reach for military manpower as a simple, low-cost solution to every problem. They have to exhaust all other avenues first. However, I will look into the case he raised and write to him later this afternoon.

John Hemming (Birmingham, Yardley) (LD): I thank the Secretary of State for his statement and commitment to consider when "just in time" becomes "just too late". I ask him to remind the Opposition that salt is not a panacea and that when temperatures fall below minus 5°C, there is little that can be done. That should be recognised. One of the legacies left to this Government by the Opposition is insufficient gas storage. Not only that, but it was not completely full at the start of winter. Furthermore, gas has been exported when taken out of storage. Will he commit to talking to the Secretary of State for Energy and Climate Change about this issue? I am particularly concerned that we are not maintaining storage when we could.

Mr Hammond: My right hon. Friend the Secretary of State is aware of the issue that my hon. Friend raises. Historically, the UK has had lower gas storage capability than many of our continental neighbours, but it is an issue that my right hon. Friend intends to address as soon as possible.

Jeremy Lefroy (Stafford) (Con): Stafford is a proud railway town. Will the Secretary of State join me in congratulating rail workers up and down the country who have kept services going under often atrocious conditions? I pay particular tribute to staff in Stafford last night, who went the extra mile in giving information under difficult circumstances.

Mr Hammond: I am happy to join my hon. Friend in congratulating staff across the railways. They have been operating in extremely difficult conditions, and I have seen for myself something of a blitz spirit where people have been mucking in. Some of the old divisions between Network Rail and train operators seem to have melted away under the weight of the snow—if that is the right way to put it. Railway staff put in a fantastic performance over the weekend to get the railways operating normally—by and large—this morning.

Points of Order

6.19 pm

Kevin Brennan (Cardiff West) (Lab): On a point of order, Madam Deputy Speaker. In answering an urgent question earlier today, the Minister for Immigration referred to a major ongoing anti-terrorist operation taking place across the country today, with arrests being made in my constituency and that of my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael). Could you tell me whether you have received any information from the Home Office or the Home Secretary about whether she intends to come to the House, either later today or tomorrow, to update us on the nature of this major anti-terrorist operation?

Madam Deputy Speaker (Dawn Primarolo): I can say to the hon. Gentleman that I have not received notification of any statement on the matter that he has raised. I understand his particular interest, and I am sure that those on the Government Benches have taken note of his point of order and that, should we need to be given any information, either he or the House will be informed directly.

Mr Andy Slaughter (Hammersmith) (Lab): On a point of order, Madam Deputy Speaker. After the statement on high-speed rail by the Secretary of State for Transport, I went to the Vote Office to obtain the details—the devil often being in the detail—for my constituency, which is where the main terminal is located. I was told that it was contained in a 1,000-page document that had not been made available to the Vote Office, and I was advised to go to the Library. I went to the Library, which had one CD-ROM that it was not possible to download or forward to Members. I was told that CD-ROMs might have been sent to Members, but they have not arrived as yet. This is another instance of what is becoming a frequent occurrence—it occurred last week with the reports on court closures, and it occurred earlier in the Session with Building Schools for the Future—whereby the Government think that making available very limited data, in an inadequate, electronic form, is sufficient to give Members notice of what is happening in their constituencies. It would be a welcome ruling from you, Madam Deputy Speaker, to say that when statements are made to this House, Members should have details that explain the important implications for their constituents of what is being told to the House.

The Secretary of State for Transport (Mr Philip Hammond): Further to that point of order, Madam Deputy Speaker. I hear the hon. Gentleman's point. The documents are extremely voluminous, and it is not practical to deliver them in printed form to every Member, but my understanding is that a CD-ROM has been sent to every Member whose constituency is affected. I will go out of the Chamber now and ensure that that has happened, and if it has not, I will ensure that it happens straight away.

Madam Deputy Speaker: I am grateful to the Secretary of State. It is obviously important that Members of Parliament have the information that they need with regard to statements, and I will pay attention to what he has said. In the past, he has, with his normal courtesy,

[Madam Deputy Speaker]

written to me in the Chair to update me on the situation, in case I need to raise it with Mr Speaker. I hope that that deals with the point of order raised by the hon. Member for Hammersmith (Mr Slaughter).

Firearms Control

[Relevant document: The Third Report of the Home Affairs Committee, Session 2010-11, on Firearms Control, HC 447.]

6.22 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I beg to move,

That this House has considered the matter of firearms control.

I believe that I speak for the whole House when I say that as we start this debate on firearms control today, our thoughts remain with the family and friends of the victims and all those who had to deal with—and are still dealing with—the consequences of the shootings in Cumbria in June, and in Northumbria in July. Those events shocked the nation. Twelve men and women were murdered, and 11 were injured by Derrick Bird in Cumbria. One man was killed and two people were injured by Raoul Moat in Northumbria. Today's debate fulfils an earlier Government commitment to discuss firearms control in the House in the light of this summer's tragic events. Although I appreciate that there may be some concern that this debate has not been held until now, I am sure that hon. Members agree that one advantage in doing so is that we now have both the independent Association of Chief Police Officers review and the Select Committee on Home Affairs report on firearms control, which has been published only today, to inform us.

Mr Jamie Reed (Copeland) (Lab): Given that the Home Affairs Committee report was published only this morning, given that we are on a one-line Whip, given that the Chamber is empty and given that Westminster itself is effectively empty, why have the Government deliberately chosen to debate this issue—an issue that I know the Minister is sincerely concerned about—on today of all days?

Nick Herbert: The hon. Gentleman knows that we were committed to holding this debate. We particularly wanted to hold it in Government time, even though there were a number of opportunities to hold it in other time. We wanted to wait for the outcome of the Home Affairs Committee's inquiry, which has reported only today, and we did not want to wait any longer, so there was a difficult balance to strike. However, I assure him that we will listen carefully to the views expressed on both sides in this debate as we consider the issues, including what he says and what his constituents say. I hope that he knows that we have made every attempt to listen carefully to the views of local people who were affected by those incidents, as well as the views of the wider public and of hon. Members.

Indeed, a number of Ministers have visited the communities affected by those events, and we fully appreciate the impact that they have had on the people who live and work in those areas. The Prime Minister and the Home Secretary visited Cumbria in the immediate aftermath of the shootings. I was able to visit and meet some of those affected, along with the hon. Member for Copeland (Mr Reed), in late August. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire) made a similar visit last week, and he also visited

Northumbria in the wake of those shootings. I want to express my admiration for the local communities who were forced to react to those horrific incidents, and who did so with such courage and dignity. Both the Under-Secretary and I have met PC David Rathbone on different occasions, the officer who was blinded after being shot by Raoul Moat. We were deeply impressed by his courage and his stoicism. Indeed, I am sure that the whole House wishes to pay tribute to the police officers in Cumbria and Northumbria who had to respond, in many cases unarmed, to the events as they unfolded.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does my right hon. Friend recognise that although plenty of people in Rothbury – where people were in fear for a long time because of the presence of the gunman – are astonished that the gunman was able to be in possession of firearms, equally, many believe while sharing that astonishment, that those who use firearms genuinely for sporting purposes, in a proper, licensed manner, should not be penalised for the behaviour of that terrifying man?

Nick Herbert: I agree with my right hon. Friend's sentiments. It appears that the weapons used by Raoul Moat were unlawfully obtained, unlike those used by Derrick Bird. Later, I shall underline the importance of ensuring a proportionate response to such incidents while nevertheless recognising that some areas might need a tightening up of controls, albeit one that recognises the legitimate needs and recreations of those living in the countryside or elsewhere who take part in such sporting activities.

Tony Cunningham (Workington) (Lab): The Minister has quite rightly paid tribute to the police. Will he join me also in paying tribute to the civil nuclear police, who played such a sterling and difficult role in those terrible times that we all went through?

Nick Herbert: I thank the hon. Gentleman for giving me the opportunity to do that. One of the things that was impressed on me when I visited Cumbria and received a briefing from the chief constable of the Cumbrian constabulary and his team was the role that the police at Sellafield – the civil nuclear constabulary – played in helping to respond quickly to the events as they unfolded. I also pay tribute to the hon. Member for Copeland and my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith), who have admirably provided a voice to their constituents. I know that in tight-knit communities, the effects of such events have been all the greater. The hon. Gentleman and my right hon. Friend have shown great leadership in their communities, particularly in Cumbria, where so many people lost their lives.

Although the police investigation in Cumbria is ongoing, and inquests in both Cumbria and Northumbria are yet to be held, a review carried out by Assistant Chief Constable Adrian Whiting, chair of the ACPO firearms and explosives working group, recently reported its findings. Mr Whiting has extensive knowledge of the subject matter, and we are grateful to him for his report. The review considered whether the decisions made and actions taken in granting and renewing the firearms and shotgun certificates issued to Derrick Bird were appropriate, or whether any actions could have been taken to prevent the tragedy from occurring. Mr Whiting found that the decisions made and actions taken by the constabulary on firearms licensing were reasonable. Mr Whiting did not identify any immediate changes to legislation that would have prevented those offences. However, he did make a number of general suggestions that he thought might improve public safety. Those included a number of suggestions that have been taken up by the Home Affairs Committee, to which I shall refer later.

It is clear that, following two events of such scale, lessons must be learned to ensure that, wherever possible, action is taken to help prevent such crimes from occurring again. It is crucial that proper controls are placed on those individuals who seek to own a firearm. However, it is also important to acknowledge, when discussing this issue, that licensed firearms are only one side of the debate. It is generally acknowledged that the vast majority of guns used in crime are illegally held.

Mr Tobias Ellwood (Bournemouth East) (Con): My right hon. Friend raises an important aspect of the debate in mentioning the difference between weapons that are lawfully owned and those that are not. Page 10 of the Select Committee report states:

> "There is a lack of data in the public domain showing the extent to which legally-owned firearms are used in gun crime, partly because it is difficult to collect accurate data"

because the gun is not always left at the scene of the crime

> "and partly because the Home Office does not routinely publish the data that it does collect."

May I invite my right hon. Friend to reconsider, and to put into the public domain more information about whether the firearms used in such events are legally or illegally held?

Nick Herbert: Of course we will consider carefully all the recommendations in the Select Committee report. We are also considering very carefully the question of which data the Home Office should collect. We need to strike the right balance between imposing ever more onerous conditions on local police forces and ensuring that the necessary data are collected centrally, and we will have more to say about that in due course. I certainly take my hon. Friend's point on board, however.

Much of the harm caused to our communities by firearms is caused by those who are not licensed to own a gun. The Government attach great importance to tackling the problem of illegal firearms, and we will continue to work to ensure that whatever measures necessary are taken to cut the use of illegal firearms in criminal activity. By setting up the national crime agency, we will be introducing a body that will build on the Serious Organised Crime Agency and that will be empowered, in partnerships with police forces, to target the types of serious crime that frequently involve illegal firearms and to eliminate them from our communities. Combining early intervention work with tough enforcement, and empowering local communities to prevent the spread of violence, will be crucial. This area of work will be informed by the Government's new crime strategy, which will be published shortly.

It is important, however, to emphasise that gun crime thankfully remains relatively rare in this country. Provisional data indicate that firearm offences accounted for just 0.2% of all recorded crime in 2009-10, and that figure has been going down. However, that still equates to

[Nick Herbert]

nearly 8,000 recorded offences. Gun crime causes significant and lasting harm to individuals, families and communities, and, however small the number of incidents that occur in the context of the overall number of crimes, the impact of these incidents must never be underestimated. Thirty-nine lives were lost to gun crime last year, and there were 336 serious injuries. That is unacceptable, and we must work to bring the numbers down.

Mr Reed: Between 1997 and 2008-09, 742 people were murdered with firearms in this country. Given that it was the atrocities in Scotland in March 1996 that led to the last meaningful review of gun ownership legislation, and in the light of the events of this year, does the Minister agree that Parliament now needs to change and tighten the gun laws in this country?

Nick Herbert: I certainly agree that it is necessary to review the gun laws, as the Home Affairs Committee has done, and to consider whether sensible measures might be taken to improve them and, in specific areas, tighten them. I am not sure whether I agree with the hon. Gentleman's implication that there needs to be a wholesale change in our gun laws that would restrict the legitimate ownership of guns, because most incidents relate to illegal ownership, and I believe that that is where we need to focus our enforcement activity.

John Woodcock (Barrow and Furness) (Lab/Co-op): The Minister knows that a review by the Select Committee is not the same as a Government review of this matter. What are the Government doing?

Nick Herbert: With the greatest respect to the hon. Gentleman, we have said that we will take on board the Select Committee's recommendations, which were published only today, and that we are considering the matter very carefully. I will speak in a moment about a measure that has already been introduced, and I will give a broad indication of an early response to the Select Committee report. There has also been a review by the Association of Chief Police Officers. The Government have certainly responded to the incidents that have taken place in Cumbria and Northumbria, but I believe that we are doing so in a careful and considered manner.

Michael Ellis (Northampton North) (Con): A resident of Northampton to whom I am particularly devoted is my aunt, Diana Ellis, and she has always said, "If it is not broken, don't fix it." Will my right hon. Friend reassure her, and many hundreds of thousands of other people in this country, that Her Majesty's Government will not act in a knee-jerk fashion on this matter and further increase the legislative burden?

Nick Herbert: Yes, I will reassure my hon. Friend of that. We will carefully consider the recommendations put forward by the Select Committee and others, and we will take action where we judge it necessary and proportionate, and where it will help to secure public safety. We will not, however, produce a knee-jerk response to these events. Indeed, the fact that the Government have not done so, and that we are nevertheless considering the issues carefully and with an open mind, has been generally welcomed throughout the country.

Mr Reed: Can we please now dispense with the notion of a knee-jerk response? It is six months since the events in my constituency, and we have now had the very thorough and considered report from the Association of Chief Police Officers and the excellent work of the Home Affairs Select Committee. The notion of a knee-jerk response now is just not applicable.

Nick Herbert: I am sure that the hon. Gentleman agrees, however, that it is fair for the Government to look at the Home Affairs Committee's report, which was published only today, and to consider it carefully. When I referred to a knee-jerk response, what I meant was that it would be wrong to rule in or out without further consideration anything that the Select Committee has recommended. It is right that we should consider these issues carefully, and he will see that there are areas in which we believe action should be taken.

Brandon Lewis (Great Yarmouth) (Con): Does my right hon. Friend agree that it is important to take the time to review carefully all the reports, including today's report from the Home Affairs Committee, and to ensure that any formal response by the Government does not criminalise, either by implication or in reality, the hundreds of thousands of people who use firearms totally legally for sporting purposes and the industries that feed off them? Does he agree that we must not run the risk of criminalising those people and those industries, even by implication, and that we must focus on the illegal use of firearms?

Nick Herbert: Again, I accept my hon. Friend's counsel. We intend to strike a proper and proportionate balance, and we will respond in a timely fashion to the Select Committee's report. We will then come forward with any specific proposals.

It is frequently said that we have some of the toughest gun controls in the world. Firearms control in this country has a long history and has evolved gradually, with frequent tightening of the legislation by Parliament. The first British firearms controls were introduced by the Vagrancy Act 1824. Firearms certificates have been required since 1920, and shotguns have required a certificate since 1967. There have since been amendments to the Firearms Act 1968, which sets out the framework for today's legislation, in response to the shootings in Hungerford in 1987 and in Dunblane in 1996, banning semi-automatic weapons and handguns respectively. I think that right hon. and hon. Members on both sides of the House would agree that the system has been made progressively tougher. In its current state, it places tight restrictions on individuals who wish to own a gun. Guns are used legitimately for pest control and sporting purposes, and the Government certainly do not believe that such activities should be curtailed provided that there are proper controls, but it is of course right to keep those controls under review and, in particular, to reconsider them in the light of recent incidents.

Mr Ellwood: I am grateful to my right hon. Friend for his generosity in giving way.

The debate is entitled "Firearms Control". It deals with a wide variety of guns and their use. I invite my right hon. Friend to consider the use and legality of handguns As he has said, they were made illegal following

a disaster, but given that we are to host the Olympic games, we are in the embarrassing position of having to send a British Olympic shooting team abroad to train. I have been in touch with my right hon. Friend about the issue, and I feel that it should be examined. We need cognitive legislation, such as the new Bill, rather than an outright ban.

Nick Herbert: My hon. Friend has illustrated the importance of striking the right balance. We all understand why the action was taken in response to the dreadful Dunblane incident in 1997. However, the issue of competitive shooting at the Olympics has been raised with the Minister for Sport and the Olympics, who I am sure would be happy to discuss it with my hon. Friend.

The Government welcome the timely report on firearms control that was published today by the Home Affairs Committee. I thank the Committee, under the chairmanship of the right hon. Member for Leicester East (Keith Vaz), for its work on the issue. As I have said, we will consider its recommendations carefully, not least in the light of today's debate. The House will understand that it would not be right for me to respond in detail today, but I want to deal with three key points.

First, the Committee recommended that the Government should codify and simplify the laws relating to firearm ownership. As I made clear when I mentioned the history of firearms legislation, those laws are widely dispersed across different Acts of Parliament. Furthermore, they are very complex. I believe that the issue would benefit from further attention, and we will therefore consider that recommendation carefully.

Secondly, the Committee recommended tighter restrictions on the granting of firearms licences to individuals who have engaged in criminal activity. That concern clearly arose from the shootings in Cumbria, and I raised it with the chief constable myself when I visited the area in August. There may be an opportunity for careful adjustment, but that will depend on the nature of the offence. I know that the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), will listen carefully to what is said in the debate and will use it to inform any future decisions. However, we welcome the Committee's recommendation.

Thirdly, the Committee raised the issue of the age at which an individual is permitted to shoot. I understand why that issue has been raised, but I think it important to appreciate that many young people enjoy shooting in a safe and responsible manner. Assistant Chief Constable Adrian Whiting told the Committee:

"The evidence in relation to young people shooting does not give any cause for concern".

We will of course consider the Committee's response in full, but it is important for legislative changes to be proportionate.

Keith Vaz (Leicester East) (Lab): Will the Minister give way?

Nick Herbert: Of course I give way to the Chairman of the Select Committee.

Keith Vaz: We published our report only 18 hours ago, so I do not expect the Minister to respond to each and every one of its 22 recommendations, but the fact that he has picked up those three points makes it clear that the Government understand the nature of the inquiry and the need for further consideration of the recommendations. Can he give me an idea—without necessarily specifying a month—of the approximate time within which the Government will respond to the report?

Nick Herbert: My hon. Friend the Under-Secretary tells me that he is going to say "two months" in his winding-up speech. I hope that the right hon. Gentleman considers that a suitable period within which to respond to such a sensitive issue.

The issue of the mental health of applicants for firearm and shotgun certificates has also been raised. As the Committee has noted, it has now been agreed between the British Medical Association and the Association of Chief Police Officers that the police will notify a GP of the grant and renewal of a firearm and/or shotgun certificate. The implementation of that arrangement is being sought within the next six months. In essence, the process will involve a system of notification by way of a standard letter, which means that GPs will be in a position to alert the police if they have any concerns. The police will then be able to request a medical report under the procedures mentioned at the start of the debate. I believe that that is a welcome move. There will be further discussions in due course about the possibility of placing a marker on computerised medical records to create a more enduring record of which patients own a firearm.

I believe that that development indicates that the authorities have been able to take sensible steps to improve the operation of firearms laws in the light of public concern. However, I agree with the Select Committee's suggestion that requiring firearms applicants to undergo a compulsory medical check would be costly and would be regarded as disproportionate.

Overall, the Committee's contribution to an ongoing subject of consideration is very useful, and we will consider it fully before deciding on our final course of action. As we consider our response, it will be important to provide an opportunity for wider engagement with the issues, and we will announce shortly how we will ensure that it is provided.

Mike Weatherley (Hove) (Con): Will the Minister also consider instances where sentencing may have been too lenient? I understand that the sentence for illegal handling of firearms is five years' imprisonment and that the sentence for an aggravated offence is seven years, but that that is rarely upheld in the courts. Will the Minister consider whether we can strengthen the position by increasing the sentence, if it does not constitute a sufficient deterrent?

Nick Herbert: I think that I am right in saying that such sentences have been toughened considerably in recent years. As my hon. Friend knows, we recently published a Green Paper on sentencing. There will be an opportunity to respond to it, and he will be welcome to do so. We will, of course, consider further representations about the levels of offences, but I think that this is a question of enforcement as much as penalties.

Sir Alan Beith: Is the Minister satisfied that the arrangements that have been discussed with the BMA

[Sir Alan Beith]

will extend to encouraging GPs to report cases in which a personality disorder of some kind is apparent? Such a disorder might not be a treatable mental illness, but it might be a pretty clear indicator that someone should not be in possession of firearms.

Nick Herbert: I agree. It is important for GPs, who will be in the best position to raise concerns, to use the system of notification in a way that ensures that such issues can be taken into account by the police.

It is absolutely right, in the wake of such major incidents as were experienced in Cumbria and Northumbria, to reconsider the legislation that controls firearm ownership in this country, but we must also ensure that our response is considered, proportionate and evidence-led. As the Prime Minister said shortly after the shootings,

"we should not leap to knee-jerk conclusions on what should be done on the regulatory front... You can't legislate to stop a switch flicking in someone's head and this sort of dreadful action taking place."

Public safety will always be our watchword, and if there is a clear need to make specific changes to legislation, we will not hesitate to present proposals. We remain committed to considering the present range of firearms controls in a measured way.

I look forward to what I am sure will be a thoughtful and constructive debate on this important and sensitive subject. We will listen carefully to points raised by all Members this evening, and we will use them in shaping our response to such incidents.

6.49 pm

Diana Johnson (Kingston upon Hull North) (Lab): I begin by echoing the Minister's comments about the victims and their families who were caught up in the dreadful events over the summer in Cumbria and Northumbria, and by paying tribute to the wider communities in those areas who went through very distressing and upsetting times. I also commend the work of the emergency services, not only when the events took place, but in the following weeks and months. In particular, I pay tribute to David Rathband, who was so tragically injured by Moat in the Northumbria shootings.

Tony Cunningham: My hon. Friend rightly pays tribute to the emergency services, but will she also pay tribute to the Churches in my area? The people at that time needed a lot of spiritual support. It was offered by the Churches, and I thought they did a fantastic job.

Diana Johnson: I am very happy to pay tribute to the Churches, and I also know that my hon. Friend spent a great deal of time working with the communities and making sure that the families and victims had everything they needed.

This debate is timely. The Select Committee on Home Affairs report on firearms control was published at one minute past midnight. It examines in detail whether, in the light of the dreadful events in Cumbria and Northumbria earlier in the year, we need to change our firearms legislation. We must remember, of course, that not all the reports on the events in Cumbria and Northumbria are available. Although we have had less than 12 hours to consider the Committee's findings and recommendations, it will be useful for us now to start to set out some initial thoughts about the report and to raise some of the issues that will certainly impact on this policy area in the weeks and months to come.

Having read the report this morning, I commend it as excellent. The Committee undertook extensive deliberations and produced some thoughtful recommendations. I appreciate that the Government will wish to consider them carefully before responding fully in due course. I also note the strong feeling on both sides of the firearms control debate, and I thank those groups and organisations who have provided helpful and thorough briefing material. We should also note that changes to firearms control legislation are often a result of tragic events such as Hungerford and Dunblane. This is clearly a very sensitive issue.

I read with great care the report of the debate on the Cumbrian shootings that was held in the House at the instigation of my hon. Friend the Member for Copeland (Mr Reed). He has been unanimously praised for the leadership he showed in his community both at the time and since. I pay tribute to him as well, and to other hon. Members from that area whom I know also worked tirelessly at that time. I took particular note of my hon. Friend's comments about reviewing firearms control in the wake of the tragedy in his constituency. He felt that we should not have a knee-jerk reaction, and that it was important to collect all the facts and consider all the evidence before reaching conclusions. That is the right approach. There is agreement across the political spectrum that there must be mature consideration of the key issues in respect of firearms control. My hon. Friend also made telling remarks about the media, and their portrayal of what had happened in his community. The Select Committee also commented on that.

Unfortunately, my hon. Friend has had to leave the debate early tonight, and he has made clear his concerns about its being scheduled just a few days before the House rises for Christmas. It should also be noted that he is on paternity leave at the moment, but he felt so strongly about this issue that he made a special effort to come to the House. I know he will look to the Government to respond to the Select Committee's recommendations by way of an oral statement in the House—rather than a written statement—so that there can be further debate on these issues.

Let me say a little about the historical context to our debate. Since the 1920s, we have used legislation to control firearms. That is now set out in 34 pieces of legislation. The main one is the Firearms Act 1968, which, as the Minister said, has been amended many times. It is widely agreed that we now have some of the strictest gun controls in the world.

Shotguns are used for pest control, game shooting and target shooting. There are 1,366,082 shotguns in England and Wales, held on 574,946 certificates. Applications are made under section 2 of the 1968 Act. There are also 138,728 firearms certificates, which cover 435,383 guns in England and Wales, including barrels and sound moderators. The majority are sporting rifles that are used for pest control, deer stalking and target shooting. The application process for firearms, under section 1 of the Act, is different.

We must recognise the important role of shooting as a legitimate recreational activity in this country. In 2005, the Labour party set out its charter for shooting, which recognised that there was no connection between

legitimate sporting shooting and gun crime. We also know that the sport of shooting is a £1.6 billion industry, in which 70,000 people are employed in full-time jobs. I note from the Select Committee report that it, too, recognises that thousands of people use firearms in recreation and in their employment, and that it in no way wishes to restrict such activity. However, it is always helpful to test the effectiveness of firearms control and review current thinking on it.

After the shootings by Derrick Bird on 2 June, when he killed 12 people and injured a further 11, the Association of Chief Police Officers was asked to produce a report, as Derrick Bird was in lawful possession of firearms. The report's remit was to look both at that specific case and any wider issues. It was produced by the ACPO lead on firearms licensing and chair of the ACPO firearms and explosives licensing working group, Assistant Chief Constable Adrian Whiting, and was published on 2 November.

The report made three key recommendations. First, it recommended the establishment of formal links between GPs, mental health services and police forces to enable medical professionals to alert the police if they have concerns regarding certificate holders. Secondly, it said the cost of any GP report should be borne by the applicant. Thirdly, it recommended that formal approaches should be made to members of an applicant's family at the grant and renewal of the certificate. It is clearly very helpful to have this report as a further source of information for the Select Committee and the Government to reflect upon.

Let me now address a few of the specific recommendations in the Select Committee report. First, on the role of GPs and their involvement with firearms control, the Committee welcomed the recent agreement between ACPO and the British Medical Association that the police will alert GPs to every new and renewal licence application. That is an important step in ensuring that the licensing authority receives accurate medical information about applicants. It carries on some of the work started under the previous Labour Government, and we support the change.

It is interesting to note that an applicant may also approach their GP as a person of good character to act as a referee or counter-signatory for a certificate application. If a GP becomes worried about his patient, the BMA has issued guidance that doctors should

"be prepared to breach confidence and inform the appropriate authorities if necessary"

That is very important in respect of those who have held licences for some time.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Does the hon. Lady not agree that what she has just said might put off a legitimate holder of a certificate who feels that their health might be, for whatever reason, deteriorating from going to their GP at all, because they might believe that their certificate would be in jeopardy? That would constitute a substantial danger not only to the public, but to that person's health.

Diana Johnson: Those points were aired at the Select Committee. I know the BMA has taken a certain view, and it has decided on giving this particular advice to their GPs. However, I will have a little more to say about GPs and the people who go to see them more regularly.

The view was also presented to the Select Committee that the medical records of firearm certificate holders should be tagged. That would enable a GP who becomes concerned about a person's health to notify the authorities. The Select Committee rejected that approach. The Information Commissioner's Office raised concerns about the effect of tagged medical records, the British Association for Shooting and Conservation believes that this would create a further burden on GPs, and GPs were concerned about the issue of liability.

Mr Matthew Offord (Hendon) (Con): Does the hon. Lady agree with the following comments by Dr John Canning, who is a general practitioner in Middlesbrough and the chairman of the British Medical Association's professional fees committee? He said:

"As a GP, I can give no judgment to someone's fitness to hold a weapon, particularly forecasting the future. What I can do is provide factual evidence about the past. It is impossible, and I have spoken to other colleagues in specialities such as psychiatry who say equally that it is impossible to predict the future."

Diana Johnson: Clearly, the decision about whether a certificate should be issued rests finally with the police. The information that GPs can provide should be factual and based on what they know.

Some 93% of shooters are male, the majority being over the age of 40. That group does not go to their GP as often as they perhaps should, so the opportunity to identify problems may be limited; it has been made clear that Derrick Bird had little contact with his GP. In addition, the Independent Police Complaints Commission has identified only six individuals a year where involvement with a medical practitioner might have had an effect in notifying the authorities that there was a problem. So this issue has to be kept under review in the weeks and months to come.

The law relating to young people and firearms control is complicated and, at times, confusing. Members of the public who read the report will raise an eyebrow when they see that 26 10-year-olds currently hold shotgun licences. The report by ACPO did not examine the age at which a certificate can be issued to a young person, as that was not relevant to the events in Cumbria; nor did this give ACPO any particular concern when considering the wider issues. However, the report referred to inconsistencies that could be addressed on some issues—for example, the definition of an "occupier" in relation to the supervision of a young person. The Committee commented on the need for a review of the minimum age limits on the use of firearms and the eligibility for firearms certificates, with the aim of reducing the inconsistency and complexity associated with the use of firearms by children.

Mr Ellwood: The hon. Lady raises an interesting point about the age at which people should be exposed or given access to weapons. I have had the opportunity to work with some youngsters who, in a different world, would not get to see these weapons. They would see them on telly and in video games, and they would consider them as trophies—the bits of kit that youngsters need to have. By allowing such youngsters to use these weapons in a safe environment and exposing them to how they work, they gain respect for these weapons and their air of mystery is removed. Does she agree that more such education is required, so that the youth of

[Mr Ellwood]

today are allowed to understand the importance and danger of these weapons and the respect that they must give them?

Diana Johnson: I hope that the Government will consider that very point when they consider the Committee's recommendations. We need to wait to see how they will respond to the issue. Interestingly, the Minister for Policing and Criminal Justice talked about the need for a proportionate response and recognised that young people are involved in many positive activities involving shooting, for example, through the Scout Association, which holds an annual rifle competition. In addition, the use of target shooting activities is increasing in the schools sector, Sport England provides funding for shooting and the activity is also recognised by the Duke of Edinburgh's scheme.

Let me now deal with the recommendation relating to criminal activity. Concerns have been raised that people with criminal convictions have been able to obtain certificates. It appears that people with suspended sentences are not prevented from obtaining a certificate, and the Committee agreed that that needs to be examined. The Committee also recommended that those who receive shorter custodial sentences should not be allowed to possess firearms, and we agree that that should be considered seriously by the Government. The Committee also noted that police licensing officers are now encouraged to take into account intelligence about criminal behaviour that has not resulted in convictions, as well as convictions resulting in non-custodial sentences, when considering whether to grant a licence. The Committee felt that it must be made explicit in police guidance that officers are expected to take such behaviour extremely seriously, particularly in cases of bind-overs, arrests and police call-outs for domestic violence, and that accumulation of convictions should also be carefully examined.

That leads me to the recommendation about the further consultation that should be undertaken when an application is made for a shotgun or firearm licence. The Committee suggested a requirement to consult the domestic partners of applicants on whether to grant a licence in order to try to identify whether there are domestic issues of which a firearms licensing officer should be aware. I noted when I read the report that the Committee was particularly concerned about the use of firearms in domestic violence incidents. Evidence was given to the Committee about a system introduced in Canada, whereby the current spouse or recent ex-spouse is required to sign the application form of any individual applying for a firearms licence. Any failure to do so prompts an additional level of investigation by the registering authorities. Since the system was introduced the gun murder rate of women has reduced by 40%. The ACPO lead has also said that adults in a domestic relationship should be inquired of when an application is made for a firearm or shotgun. The Opposition believe that this recommendation merits serious consideration by the Government, and I was particularly pleased that the Minister talked about examining the matter and making careful adjustments, where appropriate.

The Committee recommended that fees should be raised to cover the costs of licensing to ensure that funding cuts do not jeopardise the rigour of the licensing process. We know that police forces are facing 20% cuts to their budgets over the coming years. Clearly this type of work is one of those areas that the report by Her Majesty's Revenue and Customs was referring to when it said that although only 11% of police officers were available to the public, 89% were performing important work on behalf of the public, and I am sure that the Minister will agree that dealing with firearms licensing falls into that category.

Tony Cunningham: My hon. Friend will be very much aware that Cumbria police authority will be announcing strict and deep cuts. I hope that she agrees that one of the cuts that we do not want is in the number of officers dealing with firearms licensing.

Diana Johnson: My hon. Friend makes a very important point. Shooting organisations have already expressed concern about the impact of spending cuts on the rigour of the licensing process and they worry that they are going to see an erosion of the number—at least—of firearms inquiry officers and firearms licensing managers. The organisations gave evidence to the Committee suggesting that the consistency, quality, efficacy and general speed of licensing may well suffer. Those concerns were shared by Mr Whiting, who told the Committee that he had already had to recommend to chief officers that things such as home visits, which are part of our national policy on both grant and renewal, are conducted in person. A number of forces conduct these cases by telephone and, and sometimes, by post. He is concerned that such arrangements will be placed under increasing pressure in the forthcoming climate in which policing will operate. He does not foresee a wholesale collapse, but he did say that there is a risk of erosion in respect of some of the practices that are currently recommended. Such important work will need to be protected and the Committee has highlighted one way of doing it: by increasing fees.

Discussion was also had about the need to iron out the bulge in renewals, which has come about through the implementation of previous legislation. The suggestion is to extend the life of a proportion of certificates over the course of a number of renewal cycles. We understand that police representatives have made proposals on how such a system might operate, with estimated savings of £2 million, which have not, thus far, been taken up. The Opposition feel that the Government should consider urgently an opportunity to make such savings.

The report also addressed air weapons offences. The Committee recognised that airguns do not require licences yet cause a great many problems for communities. There is legislation governing their use which the Committee feels could be better enforced, and the Opposition would also support better enforcement.

As for the recommendation on legislation on firearms control, it is accepted that there is a great deal of such legislation. The Committee calls for a simplified, clear and consistent approach. One suggestion would be to have one type of certification for all firearms. The Committee recommends pursuing stronger provisions for section 1 applications, but that will obviously be a matter for the Government to consider.

Interestingly, the Committee also cites the experience in the US of the application process for handguns in Washington DC, and that seems to be far more comprehensive in its approach, requiring fingerprints

and compulsory training. It is interesting that the Prime Minister says that he will give careful consideration to the possible consolidation of legislation. The Committee's recommendations included regulations for miniature rifle ranges and the report identified problems with deactivated and replica guns, too. The Committee rejected the idea of a reduction from five-year certificates to two.

In conclusion, the report is well-researched and takes a sensible approach. It contains a sensible analysis of what is working well and of what possible changes need to be considered. I look forward to the Government's response and, linked to this, their publication of their crime prevention strategy. I reiterate that I hope we will be able to keep to the timetable of two months for the Government's full response and that an oral statement on this important issue will be made in the House so that there will be an opportunity for all hon. Members to question the Government on their approach to the report's recommendations.

7.11 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): The events earlier this year in which two gunmen took the lives of 13 other people using shotguns were deeply tragic. The public interest in the two cases and the questions asked about the efficacy of our gun laws are certainly understandable, and I therefore welcome this debate. I also welcome the publication of the Home Affairs Committee's report, although I cannot say that I agree with all its recommendations.

Seneca the younger once said,

"quemadmodum gladius neminem occidit, occidentis telum est"

or

"a sword never kills anybody, it is merely a tool in the killer's hand".

Almost 2,000 years later, the satirical Welsh rap group Goldie Lookin' Chain brought the message up to date with their 2004 hit "Guns don't kill people, rappers do"—and Chris Moyles took it even further with, "Guns don't kill people, rabbits do". Please be assured that I do not highlight the lyric as a slur on the rapping community, but rather in support of the message of the song, which is that each holder of a gun is responsible for its mode of use.

In this country, by and large, we have not historically seen widespread gun ownership, or indeed gun crime. As is the case under the American constitution, we originally had the right to bear arms, but that right was overturned by the Firearms Act 1920. Unlike our American cousins, however, the public have shown little appetite for domestic gun ownership—long may that continue—other than for use as a countryside management tool or among interest groups who use firearms in their leisure and sporting time.

My hon. Friend the Member for Bournemouth East (Mr Ellwood) has already mentioned page 10 of the report and the disproportionate focus on those who legally hold firearms as opposed to those who hold them illegally. In paragraph 12, on page 58, the Committee refers to the fact that there is no evidence of

"an increase in misuse of lethal firearms"

since the last review of holding the licence renewal period at five years rather than two. I am not suggesting that there has been a knee-jerk reaction, but that shows that we need to continue to be measured. I am delighted that my right hon. Friend the Minister said that he would do that.

Firearm control has been considered repeatedly for more than 100 years. The Pistols Act 1903 regulated the sale of pistols and later Acts placed conditions on the ownership of firearms—such as the need to apply for a certificate to own a firearm or shotgun. The Firearms Act 1968 forms the basis for our gun laws and has been amended 34 times since then, creating the confusing and complex system to which the Committee referred.

Shotguns were used by both Moat and Bird, the perpetrators of the crimes that took place earlier this year, and the latter was licensed to own his. Incidentally, in an interview given to the BBC, one of Bird's victims who survived the incident, himself a shotgun owner, described the current gun laws as "rigorous", an opinion shared by the independent inquiry into the incident. My right hon. Friend the Prime Minister also said:

"You can't legislate to stop a switch flicking in someone's head".

Perhaps he, too, had been listening to Goldie Lookin' Chain, but he was absolutely right. It appears—this seems to be the general consensus among those involved in the case—that no rule, regulation or more fierce application of the current processes would necessarily have prevented the tragedy.

It should be remembered that, although we share with many of our neighbours in Europe and the Commonwealth a comparatively low rate of gun homicide, we also have some of the most stringent gun laws in the world. A balance must be struck between legitimate use and safeguarding the public. I am not convinced that ever tighter regulation is likely to prevent each and every death caused by firearms, whether intentional or accidental, but it could prevent law-abiding, responsible citizens from using firearms in a legitimate, socially acceptable manner.

This morning the Home Affairs Committee released its report on firearms control. I agree with its conclusion that the legal construct of the various laws is rather complex and confusing. It recommends codification and simplification of the law, so that firearms owners and the police are clear about the circumstances of ownership and responsibilities. I welcome the proposals to try to simplify the law. I also welcome the potential inquiry into creating a single licensing system for section 1 firearms and shotguns.

In considering the role of GPs in the issuing of licences, I am not suggesting that simplification should be used as an excuse further to tighten already stringent regulation. The move to involve GPs in the process of awarding firearms certificates seems to be little more—dare I say it—than an exercise in bureaucracy. As my hon. Friend the Member for Hendon (Mr Offord) has said, there is strong evidence to suggest that one cannot necessarily predict somebody's future capacity in terms of owning a firearm.

Firearms are used in 6% of homicides, and known licensed firearms are used in 0.6% of homicides, so the move to include GPs is quite interesting. The idea of tagging medical records has already been described as potentially draconian, particularly in the light of fears about the security of NHS medical records. I join the Committee in dismissing calls for mandatory medical checks, because we cannot look into the future, and

[Dr Thérèse Coffey]

because of the guidance that has been given, which I thought was stronger than that. I thought that GPs were already obliged to notify the police of people in their practices who are potential threats to the community. As the hon. Member for Kingston upon Hull North (Diana Johnson) said, there was no suggestion that Mr Bird had recently seen his GP, and there were only six people in a year with whom such checks by a GP might have had an effect.

Let me turn now to employment in the sector. If we choose to go down the route of investigating a simplification of the law, it is imperative that any changes proposed have at their heart ring-fencing the rights of legitimate users, as those people play an important economic and social part in our communities. In September 2004, a report was undertaken on behalf of the British Association for Shooting and Conservation, the Country Land and Business Association and the Countryside Alliance in association with the Game Conservancy Trust, entitled "The Economic and Environmental Impact of Sporting Shooting". It found that some 70,000 people are employed by the sport shooting industry, and in my area, the east of England, £140 million was brought into the economy through the sport. Indeed, seven constituents wrote to me about this matter and told me how they wanted to be able to continue shooting, seeing it as valuable as pest control and also as a sport that they enjoy.

Nationwide, shooting is worth a total of £1.6 billion. That does not take into account other forms of shooting such as shooting in gun clubs, which are also popular and serve a social as well as an economic purpose. Felixstowe rifle club, for example, was first formed in 1900. More than 100 years later, it is still going strong and has formed links with a number of local charities and local schools. It offers lessons to a number of local children as part of the Duke of Edinburgh award, and is one of only a few clubs in the country that caters for blind shooters, which is interesting.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I am sure that my hon. Friend is aware that Suffolk has the lowest recorded level of gun crime in the United Kingdom. Does she agree that that is in spite of the fact that we have 97,000 licences for shotguns and firearms in the east of England, which suggests that the focus should be on dealing with unlicensed shotguns rather than licensed guns?

Dr Coffey: I could not agree more strongly with my hon. Friend and neighbour. That message is reinforced not only by my constituents who have contacted me but by patrons of my local, who are all regular shooters and wish not to be demonised for being so.

Felixstowe rifle club is one of many that had to adapt to the 1997 ban on handguns, which seems to have put an end to the sport of pistol shooting but done little to prevent the use of handguns in crime. Although legitimate handgun owners have given up their weapons, criminals show no sign of abating their use of them: in 1980 handguns were used in 529 robberies, and by 2008 the number had risen to 2,565 cases—down from a peak of 3,544 cases in 1992. In 2008 handguns were involved in 28 of the 39 firearms-related homicides that year—almost three quarters of all murders perpetrated using a gun. In contrast, only seven involved a shotgun and three a rifle. Rather than spending our time and energies picking off legitimate owners as easy targets—I include young people in that—we should be grappling with the more difficult, but much more important, question of how to tackle the criminal fraternity on the illegitimate use and manufacture of guns.

Young people have been mentioned, and although there is no connection with the recent incidents I take this opportunity to remind the House that 10 years ago the Government of the time said there should be no ban, and no minimum age for the issuing of licences, because supervised shooting is an important way of encouraging young people to use weapons appropriately.

The use of illegal handguns in our inner cities to commit crimes, including murder, has gone relatively unreported by the media, who seem happy to focus more on anomalous cases than on the real problem at hand. Some 55% of all firearm offences occur in just three police areas—the Metropolitan, Greater Manchester and West Midlands areas—and many involve handguns. Given that those weapons are already illegal, I reiterate that we should not legislate further to ensure tighter control of weapons but should ask ourselves, as has been mentioned in relation to air rifles, how we can better enforce current laws.

I hope that the planned introduction of a dedicated border police force will bring material results in reducing the smuggling of illegal weapons into England. I understand that there is a problem with the smuggling of illegal weapons, particularly from eastern Europe, but we also need to tackle the illegitimate use of guns already on our shores and the ability of criminals to manufacture guns by adapting decommissioned or other guns. This, in all likelihood, requires not the introduction of new laws or regulations but a range of measures and enforcement by the police.

With gun and knife amnesties our police forces have done good work in attempting to clear those weapons from our streets and take them out of the hands of youngsters who feel that they need to carry a knife to feel safe. Amnesties have taken place across the country and should continue; indeed, I call on people in my constituency and elsewhere who hold a gun in their house to ask themselves whether they still need it. However, it is equally important to look into the causes of gun crimes. What makes somebody pick up a gun or a knife before they leave the house, and what can we do to persuade them that they do not need to purchase an illegal weapon, let alone use it?

It seems to be an increasing feature of gang culture to use or brandish a firearm or to kill somebody with one as a way of going up the respect agenda. We need to cut that out of our culture, and I welcome some of the work that has been done on that.

Simon Hart: My hon. Friend made an interesting point about whether young people should be allowed to access weapons at an early age. Is she aware of any evidence to suggest that having access to firearms when young leads to illegal use of them later in life?

Dr Coffey: I am not aware of any evidence whatever on that. Across our country, organisations such as gun clubs and the combined cadet force are often where youngsters first come into contact with weapons and are taught to use them appropriately. I am concerned

that the inappropriate and illegal use of illegal weapons is a growing phenomenon, perhaps in gang culture, but I do not equate the two.

Justin Tomlinson (North Swindon) (Con): I met Wiltshire army cadets this week, and they made big play of the fact that the respect for weapons is taught. That should be taken into consideration.

Dr Coffey: I support that view. Two of the schools that I attended had cadet forces and it was seen as a privilege, which was not handed out lightly, to fire such weapons.

I conclude by reminding hon. Members that we are not in this House to turn the entire population of Great Britain into criminals one interest group at a time. Knee-jerk legislation might make great headlines but it does not necessarily solve the problem. It does nothing to allow innocent lawful people to go about their daily business, and it certainly does not stamp out all criminality. I therefore encourage the Government to consider the different proposals seriously but not necessarily to say that regulating or making more laws is the appropriate reaction to the cry that more must be done. Let, instead, the legacy of these tragic deaths be a catalyst for a renewed attempt to focus on our existing laws, to elucidate the real causes of gun crime and to tackle criminals, not the innocent.

7.26 pm

Keith Vaz (Leicester East) (Lab): It is a great pleasure to follow the hon. Member for Suffolk Coastal (Dr Coffey). I am afraid that I do not have her command of Latin or popular music, but I listened with great interest to what she said. Judging by the number of Members present, I am sure that others will make an equally important contribution to this very important debate.

It is not often that on the very same day that Parliament produces a report the Government hold a debate on the same subject. I have not experienced this kind of choreography before, but I am delighted that they have chosen to have this debate so soon after the Select Committee on Home Affairs published its report. I confess that when the Committee heard about the debate being held on 20 December, we worked very hard to make sure that our report was ready for the House to consider, because it would have been rather odd to have published it after the debate. I know that some who represent constituencies in the relevant area have had concerns about the timing of the debate, but the Government pledged to hold it by a certain time and they have kept their promise — obviously, they could not hold it tomorrow because of the winter Adjournment debate.

The debate gives us an opportunity to consider what has happened in this tragic year in which so many communities were touched by the violence of Raoul Moat and Derrick Bird. It is right that the Minister began and the shadow Minister, my hon. Friend the Member for Kingston upon Hull North (Diana Johnson), completed the sequence of paying tribute to all those who have been involved in this matter, including the emergency services and the relatives who gave evidence to our Committee in such a passionate and eloquent way.

This is a debate that we would rather not have, as we would rather consider these matters when there had not been a tragedy of this kind. However, the Committee's report was not — I hate to use this word and everyone says that we should not use it — a knee-jerk reaction. We were keen not to react in that way and we wanted to review the previous Select Committee report on this subject, which was 10 years ago. It was appropriate to reconsider the issue and to draw on the terrible experiences of Cumbria and Northumbria.

Tony Cunningham: I should like to pay tribute to all the emergency services, but specifically to the health workers who suffered as a result of the shootings in west Cumbria. Perhaps hon. Members can imagine dealing with the consequences of shotgun wounds and bullet wounds: it must have been absolutely horrific, traumatic and terribly difficult for the doctors and nurses to deal with. I wanted to put on the record my tribute to their work.

Keith Vaz: My hon. Friend is absolutely right to do so. In an emergency of this kind, many people are involved in alleviating the pain and distress of members of the local community — the list is endless. I want to pay tribute to my hon. Friend the Member for Workington (Tony Cunningham), to the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) and to my hon. Friend the Member for Copeland (Mr Reed), who wanted to stay for the entire debate but had a long-standing commitment that he could not break. The debate was scheduled after that commitment was made. We all remember the way in which my hon. Friends the Members for Copeland and for Workington and others represented the views of their constituents day after day on a 24-hour basis, and we all hope that we will never be in that situation in our own constituencies.

This is, in a sense, a House of Commons day. There was not a single area of disagreement between the two Front-Bench teams. There are points that Members in all parts of the House will want to emphasise, but there is agreement that we should look carefully at the reports that have been produced. I pay tribute to members of the Select Committee. Again, I apologise on their behalf. Most of them very much wanted to be present for the debate today but the severe weather and constituency commitments have prevented them from attending. They worked hard to make this a unanimous report where consensus was the order of the day. The report is not intended to have a go at any group in society.

I knew very little about firearms when I began the inquiry. That is why I was delighted to be involved in it — not delighted for the reasons that I mentioned, but pleased to gain some expertise in an area that I know nothing about. As Members of Parliament, we are supposed to be experts on everything, and it is not often that we say we know nothing about a subject. However, I knew nothing about firearms. The nearest I had got to a firearm was a water pistol when I was much younger.

I thank the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) who was extremely helpful to the Committee in a number of ways and to me personally. We asked that firearms be brought into the Committee so that we could look at the various types. Sometimes it is difficult for lay members — I am a lay member — to understand the difference between a

[Keith Vaz]

section 1 firearm, a shotgun, a pistol and an air weapon. The hon. Gentleman arranged for that to happen. I thank the Serjeant at Arms and the Deputy Serjeant at Arms for allowing us to bring the weapons into the Committee. I think we gave them a bit of a fright when the firearms came in, but it was important for us to look at them.

I valued immensely my visit to Bisley, where I met so many talented individuals who had represented our country in shooting at the highest level and had won gold medals at the recent Commonwealth games. They were not bulky men with big muscles, though there were some of those about—not members of the Committee. Some were women, who had shot so successfully. One of them hung all four of her gold medals around her neck. I no longer need to be convinced of the importance of the sport. When we look at the figures, showing the hundreds of thousands who apply for a licence in good faith, with excellent characters, and get their licences, we know that we must be careful if we try to change the law.

That is not what the Committee suggested to any great extent. Like the hon. Member for Suffolk Coastal, we suggested measures that we think can improve the situation. Hindsight is a wonderful gift and none of us possesses it. We do not know what is going to happen in the future. It is terribly difficult for the Government of the day, having had so many difficulties to deal with in the events that took place in Cumbria and Northumberland, to call it right. If anything happens in the future, and the odds are that it will—the evidence before us suggested that it will happen at some stage—we do not want people to be blamed for having failed to take action.

Some of our proposals are direct recommendations: we made 22 recommendations. Some are an invitation to the Government to consult further—for example, on the age at which children may apply for a licence. I was confused about that, as were the Clerks and members of the Committee. Therefore, for the convenience of the House, we set out the current law in a table that appears on page 42 of the report.

As the table shows, it is possible to apply for a licence for a shotgun at any age, but for a section 1 firearm, one can apply only from the age of 14. One may use a shotgun under supervision at any age, but, for a section 1 firearm, in certain circumstances, it is from the age of 14 with a certificate. To be in possession of a firearm unsupervised, the minimum age is 15 for a shotgun and 14 for a section 1 firearm. To purchase or hire a firearm and/or ammunition, the age is the same—18.

We did not suggest an age to the Government. We recommended that the Government look at the various ages. They may decide that there is no empirical evidence that a change is needed. However, we suggested a number of areas for consideration: the age at which an individual is permitted to shoot under supervision in the controlled environment of a shooting range, the age at which an individual is permitted to shoot under supervision outside such a controlled environment, and the age at which an individual is permitted to shoot unsupervised.

No age is specified in the report, although Mr Whiting said when I pressed him that he thought it should be 10. That was under pressure from the Chairman seeking to get him to alight on a particular figure. I was very surprised that there were 26 children aged 10 who had shotguns, even though I have a 15-year-old son who is in the Duke of Edinburgh's award scheme. When he heard that I would be speaking about the subject, he said, "You're not going to ban us from doing this, are you?" I said, "I'm not going to ban you from doing anything, apart from being on the computer for too long."

We have asked the Government to consider the question of age. The hon. Member for Suffolk Coastal need not fear. We are not coming to a conclusion; we are just saying that the matter requires further thought.

Tom Brake (Carshalton and Wallington) (LD): I heard the right hon. Gentleman this morning on Radio 4 on this subject. It was not clear from his response why he felt the need for a review. He did not seem to be suggesting that there was any particular problem in respect of the age at which children could hold a licence or could shoot.

Keith Vaz: I was trying to hedge a little because we have our personal views based on our interest in the subject, but the Committee as a whole took no view. I think it was right not to take a view because we had not taken a huge amount of evidence on the age limits. We therefore did not want to interfere with the current arrangements. We thought further examination was merited. As I said at the beginning of my speech, I am not an expert on these matters so it came as a surprise to me that children as young as 10 were able to shoot. It had to be explained to me at Bisley what they were all up to and that they were doing it for a purpose. I understood much better when I had heard that.

Mr Ellwood: The right hon. Gentleman's report raises a number of issues, and this one is worth looking into in more detail. More information is required if we are to dabble with the numbers. It is clear that people cannot own ammunition until they are a lot older. It is clear that they cannot even use a weapon unless they are supervised or of a certain age. By discussing the ages, we are getting into semantics and away from questions about when the gun will be used and in what context. We are talking about the age of 10, when children cannot even buy ammunition or use it unless they are supervised.

Keith Vaz: The hon. Gentleman is right. That is why we batted the issue over to the Government for them to look at. I know that the Under-Secretary of State for the Home Department, the hon. Member for Old Bexley and Sidcup (James Brokenshire) is the parent of two very young children, because they are regulars at the Westminster kids club party. Any parent would be concerned if they were not in the know about what is going on. We are not saying, "Let's make it 10." Let us consider the issues and let the Government perhaps come back with a view in the two-month timetable that they have given themselves.

My second point is about the 34 pieces of legislation covering this area of policy. It is a no-brainer that we need to consolidate. We need to make sure that the police and those responsible for holding such firearms know the law, which needs to be clear, so that nobody is

under any misapprehension. That is why clarity of law and consistency are extremely important, and that is an easy one for the Government, as the Minister hinted in his very careful speech from the Dispatch Box.

There was a debate in the Committee about the role of GPs, but we concluded that we can live with the reasonable deal struck between the British Medical Association and the Association of Chief Police Officers—and therefore the Home Office. We should not try to interfere in the judgment of a general practitioner. Let the general practitioner alert the authorities if he or she feels that it has to be done. GPs will be very careful when they write their references or provide any information to those making such decisions, because they will not want to make mistakes. They also have a duty of confidentiality, however. The Committee was reluctant to intervene on that duty, but we felt it necessary to bring it to the attention of GPs themselves, if they needed reminding, because they have a crucial role in ensuring that proper consideration is given when licences are granted.

Tony Cunningham: Before my right hon. Friend concludes, will he comment on the Committee's report concerning the media? My hon. Friend the Member for Copeland (Mr Reed) was extremely disturbed by the way in which the media covered the terrible shootings in west Cumbria.

Keith Vaz: Yes, we considered that issue in the inquiry, and it is in the report, although I cannot remember the exact paragraph. With such tragic events, the media tend to go to the scene, and there is 24-hour coverage, which understandably upsets local residents. One witness, it might have been Professor Shepherd or the witness from the health authority—

Tony Cunningham: Professor Ashton

Keith Vaz: Professor Ashton, I thank my hon. Friend. Professor Ashton said that the constant media coverage might encourage others to do the same, so one has to be very careful not to glamorise what happens.

The report has a section on key facts, and I shall read just a couple. The most recent figures show that there are 138,728 firearm certificates, covering 435,000 firearms, and 574,946 shotgun certificates, covering 1.366 million shotguns. That is a huge number, but the number of cases, tragic though they are, in which legally held firearms have resulted in homicide, deaths or injuries, is very small indeed. That is not to excuse the number or to say it is not important, but it needs to be seen in proportion to the number of guns that are about.

So the Committee has not sought to condemn or criticise; all it has sought to do unanimously is to make suggestions, so that, by closing the loopholes and ironing out the creases, our already tough law becomes not necessarily tougher, but slightly better. It is up to the Government to adopt the measures that we suggest. They have given themselves a two-month timetable, for which I am most grateful, and we look forward to re-examining the issue.

We have decided to publish our recommendations in a grid on our website—we decided to do that after the hon. Member for Carshalton and Wallington (Tom Brake) left the Committee—and, as soon as the Government meet those recommendations, we give them a tick. So far, in our three reports, we have totalled about 60 recommendations, and there are 22 in the report before us. We look forward to ticking as many as possible. If we cannot tick them, and if the Government have a better measure to put in place, we will give them the credit they deserve. The Minister and the Government have handled the matter sensitively and carefully and the Opposition Front Benchers have dealt with it in an equally proper way. This is the House at its best, and I hope that the debate continues along those lines.

7.45 pm

Tom Brake (Carshalton and Wallington) (LD): I welcome the opportunity for this debate today. I suspect that whatever day the Government had chosen, some hon. Members might have felt it inappropriate, but the fact that the debate is taking place today has not stopped us from having a well-informed discussion with Members who clearly have an interest in the subject. I welcome also the fact that the matter is under active consideration by the Government.

It is a pleasure to follow the hon. Members for Kingston upon Hull North (Diana Johnson) and for Suffolk Coastal (Dr Coffey) and, indeed, the right hon. Member for Leicester East (Keith Vaz), who, as the hon. Member for Kingston upon Hull North has said, have given the matter mature consideration. The whole debate has been approached in a consensual and mature manner.

I further welcome the Committee's revisiting the report from 10 years ago. One of the Committee's strengths is that it revisits reports and checks whether recommendations have been implemented. I also welcome the recent innovation of placing recommendations on the website, so that we can see what progress is made against them. Whether the Government see the 66 recommendations in the last three reports as separate targets, I do not know, but, given that the Government are duty-bound to respond to the Committee's reports, it might be appropriate for them to respond to the recommendations as well.

It is perfectly appropriate and right that, after the tragic incidents involving Derrick Bird and Raoul Moat, the House should consider our gun control laws and approach the issue in a suitably sombre and non-political atmosphere. We owe that to the families, who suffered so grievously from those senseless murders, and to the emergency services, who had to deal with those matters on the day and in the aftermath. It is incumbent on us to propose solutions that reduce risks not only effectively, but proportionately, and we must rely on policies with a sound evidence base. So, we, as a House and as a Government, should propose solutions that identify the differences between and risks associated with legal and illegal firearms.

On illegal firearms, I am sure that there is a consensus in the House that the current Government, just like the previous Government, must maintain pressure on those who import and convert weapons, and on the gangs that use weapons. As the hon. Member for Suffolk Coastal has said, we need to rely on the border force to try to intercept weapons as they come into the country. We also need to rely on the national crime agency, when it is set up, to deal with what is a national issue, and we need to ensure that the duty of co-operation that will be

[Tom Brake]

placed on the elected police and crime commissioners operates effectively, so that they can deal collectively with a matter of national importance.

On legal firearms, Members have quoted some of the statistics. According to the briefing that Members have received from the British Association for Shooting and Conservation, it is difficult to demonstrate a relationship between gun crime and legitimate gun ownership. The association provides statistics showing that, for instance, in Scotland in 2005-06, although gun crime fell by 6%, and was 28% lower than nine years previously, there was an increase in privately owned firearms, the number of which was at a five-year high in that country. So, there does not appear to be a correlation between gun crime and legitimate gun ownership, and the association provides a number of other statistics to support that contention. Indeed, handguns were banned following Dunblane, but they continue to be regularly used and are the weapon of choice in gun crime.

One should not draw any rapid conclusions about how to address the issue of gun crime through the licensing of legal weapons. We have heard the comments of the right hon. Member for Leicester East, the Chairman of the Home Affairs Committee, on the subject of young people and shooting, and I understand why his Committee called for the review. I, too, am surprised about the different age groups and about the issues on access to guns and ammunition and when someone needs to be supervised and when they do not. Therefore, it is perfectly right for him to pass the buck to the Government, which is something the Committee rarely does. He did not quite use that phrase, but I think he was quite happy to hand over responsibility for that review to the Government. I can see the need to do so, although I am not sure whether he has identified a particular problem that requires such a review to be undertaken.

On legal firearms, there is the matter of the number of firearms on private premises. Hon. Members will know that the British Shooting Sport Council does not consider the number of guns held by an individual to be an issue. That therefore does not necessarily need to be considered when discussing gun controls, particularly in relation to legal firearms. When dealing with that issue, it is essential that we rely on the evidence of what the risks are and how they can be addressed. I want to draw Members' attention to a couple of the Home Affairs Committee's recommendations, which warrant further investigation. The right hon. Gentleman has referred to the 34 laws. I am sure it would be of great advantage to clarify or simplify that matter. There should be tighter restrictions and clearer guidance to the police on the granting of firearms and shotgun licences to individuals who have engaged in criminal activity. Again, the Government should consider more carefully whether people subject to suspended sentences should be allowed to hold firearms.

The Opposition spokesperson, the hon. Member for Kingston upon Hull North, raised a strong point about the need for greater consultation with domestic partners, both current and ex-partners. That matter is certainly worthy of Government investigation, as is the greater enforcement of air weapon offences. The media have also been drawn into the matter as a result of how they sensationalise these crimes. In passing, I shall refer to a case that involves Newsquest. That organisation has done some good work on, for example, ensuring that there are no sex ads in its newspapers. However, I regret that in relation to a murder—not a gun-related murder—in my constituency, it has pursued a particular case again and again. The victim's family are suffering the consequences because, any time there is a development in the case, it gets covered locally and the family, who want to put the matter behind them, see it constantly reported on the front pages of the paper. Clearly, that may currently and in the future affect all the families involved in the Cumbrian incident and, indeed, the incidents involving Raoul Moat. The media should carefully consider that matter themselves and take appropriate action.

The final thing that I want to mention about the Select Committee report is the fact that, interestingly, it did not recommend centralising gun storage. In the Select Committee's view, there were perhaps advantages in having gun storage in different places, rather than in a central point. If guns were in a central point, it could be more attractive to someone who wanted to get hold of a large number of guns in one location. Will the Minister say whether he has received representations from any organisations or individuals on changes proposed by arm's length management organisations? An ALMO in my area, Sutton Housing Partnership, has introduced a policy of not allowing people to store guns in their properties, because it is concerned about those guns getting into illegal hands. However, the evidence that we have before us perhaps suggests that, in some respects, those guns might be safer there than they would be if they were all located in one particular point. When the Minister responds, I hope he will discuss that point.

It is clearly right that, as the House—and, indeed, the Select Committee—addresses these issues, we consider the risks associated with illegal and legal firearms. Collectively, we should formulate a response that addresses those issues and ensures that the families affected by these tragedies can see that the Government have responded proportionately. The Government need to take measures that reduce the risk of similar incidents occurring in the future, without having an undue impact on a sport that millions of people enjoy. Indeed, my wife enjoyed the sport of shooting when she was a teenager. We do not want to have a disproportionate impact on a fraternity who pursue a sport in a perfectly legal fashion. When the Minister responds, I hope that he will take on board those two, at times, conflicting considerations. It is the Government's responsibility to ensure that both those matters are addressed in a proportionate manner.

7.56 pm

Chris Williamson (Derby North) (Lab): Every year, deaths from gunshot wounds are an all-too-common occurrence in our country, as a result of homicide and suicide. Before this debate, I read a report prepared by the Gun Control Network, which monitors the firearms incidents that take place in our country. That report makes for shocking reading.

In one month alone—November—the Gun Control Network has highlighted huge numbers of firearms incidents. They include seven fatal shootings, five of which were apparent homicides—three in north London and two in the west midlands. In London, two men died after a double shooting in Islington and another victim died when he was shot in a car in Finchley. In the west

midlands, a man was shot dead in a house in Bilston and a man whose body was found in Smethwick had died from a gunshot wound to the head.

Two apparent suicides were also reported for that month. A man is thought to have taken his own life after he was seen in a street in Ashington, Northumberland with a gun, and a man was found dead at his stables near Rosewell, Midlothian in a suspected shotgun suicide. Thirteen other victims were shot—five with airguns and imitation weapons. A teenager was shot in Croydon and two men suffered leg injuries when they were shot in Clapham. In Merseyside, a man was shot in the legs in a street in Huyton. A victim was shot in the stomach with a shotgun in Croxteth and a man was shot in the leg in Stockbridge village. In south Yorkshire, a man sustained a minor injury when a shotgun was fired through the window of a house in Totley, Sheffield.

Five other people were hit by pellets from ball-bearing guns or air guns. In Shropshire, a boy was struck by a pellet from a ball-bearing gun in Oswestry and a cyclist was shot in the head with an airgun in Arleston. In south Yorkshire, a jeweller in Rotherham was shot in the face by an armed robber with a ball-bearing gun, and in Suffolk a woman and a teenager were struck in the head by airgun pellets on the same street but in separate attacks in Lowestoft. A man was shot in the hand by police in Copthorne, West Sussex. He was later charged with possession of an imitation firearm with intent to cause fear of violence.

I make this point because the pro-gun lobby likes to imply that people who take part in so-called legitimate shooting activities are extremely responsible. We have heard a lot of talk about knee-jerk reactions, but whenever there is an appalling incident such as the one in Cumbria, there is always a knee-jerk reaction from the pro-gun lobby. The House should consider the sobering thought that back in 1987, when Michael Ryan was indulging in a massacre in Hungerford, killing 17 people and injuring 15 others, Thomas Hamilton was seen to be a fit and proper person to hold a firearms certificate. Yet we know the tragic consequences in 1996 in Dunblane, where Thomas Hamilton killed 18 people and injured 15 others. When Thomas Hamilton was indulging in that killing spree, Derrick Bird in Cumbria was deemed a fit and proper person to hold a firearms certificate, and we know what happened earlier this year when 12 people were killed and 11 were seriously injured.

In my view, the country would be a far better place if guns were completely banned and nobody was allowed to own them. I recognise that that might be a step too far at this stage, but it is essential that this Parliament takes action to address the gun culture in our country. It is a frightening statistic that almost 5,000 young people—5,000 children—hold a firearms certificate. What kind of message is that sending out to the country at large? I am a councillor in Derby as well as a Member of Parliament. In a park in Normanton in Derby, there was a tragic and fatal incident in which a young man of 15 years of age was shot dead with a gun. I accept that that gun was obtained illegally. However, when the law of the land allows 5,000 children legitimately to hold a firearms certificate, it sends a very bad signal.

As my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) has pointed out, there are 34 separate pieces of firearms legislation. The time is long overdue for a new, simpler, unified piece of legislation covering the ownership of firearms. As I have said, I would like to see a complete ban on guns, although I accept that that will not happen in the foreseeable future. However, it is appropriate to ban the private storage of firearms in people's own homes. I cannot see how anybody in this House can legitimately argue that somebody should be able to store firearms in their own home. Why is that necessary? There is no foolproof method of dealing with this other than a complete ban on firearms, but taking them out of people's homes would be a huge step in the right direction towards preventing the sorts of appalling massacres that we have seen in Hungerford, Dunblane and Cumbria.

That is one of the measures that I would like to see, but we could go further. The hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) has referred to the notion that a person who has a firearms certificate might be deterred from seeing their GP, if they felt that that GP could report them to the police as not being a fit and proper person to continue to hold a firearms certificate. However, there is a way round that: a mandatory, annual medical test to check on individuals who hold firearms certificates would ensure that they are mentally capable and fit and proper people to continue to do so. That measure would get over the problem that the hon. Gentleman has mentioned.

Other hon. Members have referred to the Prime Minister's comments in the wake of the Cumbrian shooting, when he said that nobody can

"stop a switch flicking in someone's head".

Adopting the approach that I am suggesting would not be foolproof but it would be a considerable step forward in preventing the sorts of terrible incidents that we have seen. I urge the Minister to take it on board and respond to it appropriately.

The Association of Chief Police Officers has considered this issue and has made a number of recommendations, including the involvement of the medical profession through allowing police to see the medical details of applicants and permitting a formal approach to applicants' families to ensure that they are happy for their family member to obtain a firearms certificate. That would be a huge step forward. We need, as a Parliament, to take appropriate steps. In the past, we have taken measures that clearly have not gone far enough, and we need to go considerably further. I accept that these measures need to be proportionate, but how do we judge what is proportionate when we see the number of innocent lives that have been lost as a result of people who have held firearms legitimately and then, through the inadequacy of our legislation, been able to go on a killing spree? I hope that the Minister will deal with those points.

We need to take more robust measures in relation to the illegal ownership of firearms. I would not allow children to have firearms certificates at all, but addressing the age at which young people are able to do so would be a good step in the right direction in terms of the signal it sends. We also need to look at other measures that we can take by working with young people and supporting youth organisations, which do some excellent work in bringing home to young people the consequences of gun crime. That would prevent more tragic incidents such as the one that occurred in the ward that I represent in Derby, where Kadeem Blackwood, a young man of 15 years of age, had his life tragically cut short. We have

[Chris Williamson]

to empower youth organisations to enable the sort of educative work that would help to turn young people away from firearms.

Keith Vaz: I, too, was concerned about this when I began the inquiry. My hon. Friend has spoken very passionately about these matters. Does he not accept, however, that it would be very odd if we did not allow people the chance to enjoy their sport in a shooting range, in properly controlled circumstances with a proper licence?

Chris Williamson: My own view is that I would ban guns, and there would not be shooting ranges because people would not have guns. However, at the end of the day, politics is the art of the possible. If we could have the properly controlled circumstances that my right hon. Friend has mentioned but, within that context, prevent people from having private storage of firearms in their own homes, that would deal with his point and also prevent the potential for the sorts of terrible massacres we have seen in some parts of the country.

Mr Offord: Is the hon. Gentleman saying that he wants images of weapons to be banned, for example in rap music, which we heard about earlier, and in American TV and big screen movies? That is where young people particularly those in the urban environment that he is focusing on see the images and glamorisation of such crimes and tragic deaths.

Chris Williamson: I agree that the violent images that we see on our screens and the references to weapons in rap music do not help. However, I do not think that that sufficiently explains why young people use guns to the extent that they do these days. That is why it is so important that we give the necessary resources not just to the police, but to youth organisations that turn young people away from firearms and make them realise the consequences of using firearms. There are consequences not only for the victims of firearms incidents, but for the lives of those who use them. The life of the young man who killed the teenager in my constituency, and that of his family, has been destroyed as a result of that incident.

Simon Hart: Does the hon. Gentleman accept that in the absence of a total ban, there is evidence to suggest that when people are given responsible access to firearms at an early age, under proper supervision, it reduces the chance that they will end up in the terrible circumstances that he has described? Instead of it being a negative, it is a positive. The Home Affairs Committee and others have pointed to plenty of examples that suggest that it is a good thing.

Chris Williamson: I am not sure that I accept the hon. Gentleman's analysis. I certainly do not accept the point with regard to young people, or any people, using firearms to shoot live quarry. Perhaps using firearms in a shooting range is a different matter, but I am not sure that I agree.

Mr Alan Campbell (Tynemouth) (Lab): My hon. Friend is making a powerful, brave and challenging speech, which is important in this debate. However, I do not agree with many of his conclusions. My constituency was the scene of a gun rampage less than 20 years ago. A number of residents who were affected by it were appalled recently when a sports shop decided to sell guns. I must say that it does so in a safe and controlled environment, with regular checks by the police. Does my hon. Friend agree that residents should have a greater say, perhaps through the planning process, over whether such shops should be allowed to set up in the high street?

Chris Williamson: My hon. Friend makes a pertinent point. I hope that the Localism Bill, which was published last week and which will give local residents greater power over planning matters, will enable what he has described. We need to take account of local people's views on such matters. Many opinion polls find that many people find the gun culture in our country utterly repugnant and unacceptable. Frankly, I think that people find it an affront to decency when such shops crop up on our high streets.

I hope that the Government will take on board the recommendations of the Home Affairs Committee, and that they will take my comments seriously. I accept that I take an absolutist position on this issue, but I recognise that short of taking an absolutist stance, the Government can go further. In my view, the Government have a moral obligation to go further to prevent incidents such as those in Hungerford, Dunblane and Cumbria from ever happening again in our country.

8.14 pm

Mr Tobias Ellwood (Bournemouth East) (Con): It is a pleasure and an honour to participate in this important debate and to follow the hon. Member for Derby North (Chris Williamson) who, if nothing else, has reminded us why it is important to have a proper, thorough debate on this issue, rather than to jump to conclusions before we know all the details and understand the ramifications of any legislation that we wish to make.

I will begin with a declaration of interest. In the armed forces, I shot a number of weapons avidly. I am involved with the training of the Olympic pistol team and am vice-president of the British Shooting Sports Council, which is an umbrella organisation that deals with a number of associations from across the board in the shooting fraternity.

This debate was always going to focus on the three huge tragedies that have affected British society and, indeed, Parliament the Hungerford, Dunblane and Cumbria shootings. I hope that I speak for all hon. Members in saying that our thoughts go out to the families whose lives remain shattered by those unprecedented events. Those events are as shocking as they are unprecedented. The responsibility of dissecting what went wrong is enormous. It involves not only helping the victims' families to come to terms with the events and to seek justice, but recommending changes to the law that might prevent similar incidents.

I am pleased that there was a delay after the Cumbria shootings in which to take stock and regroup before debating or deciding on firm legislation. The legislation will therefore be based not on passion, but on logic. There is a desire to act swiftly, but we must also act soberly. Given that we can see such tragic images unfolding in real time, thanks to 24-hour television, it is understandable

that the majority of people, and indeed journalists, were horrified by the events that we saw and called immediately for tougher action.

I gently remind the House that it is not only such massacres that we must consider. Gun crime, in one form or another, is committed in every hour of every day, sometimes with tragic results. Those events do not take place in the media limelight or on our television sets, but they do shatter the lives of the individuals who are affected in exactly the same way. When we debate the major issue of firearms control, we must not let the issues become polarised by looking simply at the major tragic events.

The world of legal gun ownership and use, and the laws that govern it are extremely complex. On the whole, it operates with the high level of responsibility that society expects. As has been said, 34 Acts of Parliament relate to firearms. I was pleased that in the report, the right hon. Member for Leicester East (Keith Vaz) called for some kind of consolidation of that legislation. The Prime Minister has made it clear that it is not possible to legislate to stop a switch being turned in somebody's head, but we can make it easier for those who have to use the legislation to operate in this environment.

We cannot un-invent the weapon. It has legitimate uses in the rural community, in sports, including Olympic sports, and in law and order. However, weapons can and do fall into the wrong hands. The bullet may be the cause of death, but it is the owner's finger that is guilty of causing harm. Our job here in Parliament is to ensure that the public are properly protected. There must be a balance in law between our being a fair society and allowing legal gun ownership, and ensuring that guns do not fall into the wrong hands.

The hon. Member for Derby North spoke at some length about wanting to ban guns entirely. I hope he did not wish to mislead the House by saying that he was calling for children not to have access to guns and that it was ridiculous that children could have a licence at the age of 10. He knows that a child cannot be in possession of any weapon unsupervised while under 14, or under 15 in the case of a shotgun. We have to keep the full context of the law in perspective, and that is why the debate is important.

Chris Williamson: Does the hon. Gentleman agree, though, that at the age of 14, an individual is a child and not fully aware of the consequences of the use of a firearm? Does he agree that if we are still to have guns in society, some consideration should be given to increasing the age at which an individual can have a firearms certificate, perhaps to 18, when they are an adult?

Mr Ellwood: The hon. Gentleman puts his point on the record, but what is the consequence of making weapons illegal? It makes them a trophy, a gang culture accessory and an object of desire for certain people. Introducing people to a wide variety of guns at a very young age takes the mystery out of the weapon and teaches them respect. The Duke of Edinburgh's award scheme, the Scouts and the cadets operate guns. I would like to see statistics on the respect or otherwise that people gain by being exposed to guns at an early age. If we had that, the hon. Gentleman would then be in a commanding position to say whether the current situation worked, and we could move forward from there.

Chris Williamson: I think the hon. Gentleman is conflating two issues. Young people involved in gang culture already see the illegal ownership of firearms as a badge of honour, and regrettably they are all too willing to use them. That is a separate matter from my point, which is that allowing young people to have a firearms certificate sends the inappropriate signal that it is legitimate for them to have firearms at their disposal. That is why it is important that we empower youth organisations to deal with the illegal ownership and use of firearms by young people in gangs.

Mr Ellwood: I completely disagree with the hon. Gentleman, and I would encourage him to go out and speak to the clubs and so on that participate in shooting. I have been involved in initiatives that take people from the gang culture, but who have yet to be exposed to guns and the world of crime, to a range so that they can understand what happens there. That teaches them some respect for the weapons that they have previously seen in video games or on television and thought they wanted. If he sees such initiatives, he might come back to the House with a very different view.

Justin Tomlinson: On youth engagement, surely the best thing to do is to involve sports clubs, the Army Cadet Force and other proper organisations that can provide respect for weapons and hands-on knowledge, rather than some do-gooding youth worker saying, "Just don't do it."

Mr Ellwood: My hon. Friend makes a powerful point, and I look forward to his speech, which I hope will elaborate on that point.

I welcome the general thrust of the Home Affairs Committee's report, which states:

> "We do not believe that a total outright ban on ownership and use of section 1 firearms and shotguns would be a proportionate response to the risks posed by these weapons."

I fully agree with that, and we should bear it in mind that only one in every 330 crimes involves a gun. If we exclude air weapons, firearms offences decreased by 17% in 2008-09, the last year for which figures are available.

I have huge concerns about the data that are available. The hon. Member for Derby North rattled off a series of horrible events, but he did not once say whether the weapons involved were illegal. In the key facts section on page 3 of the Committee's report, there is a long list of facts and figures about crimes, but again there is no indication of whether the guns used were illegal or legal. It would be a lot easier for us to debate the matter in detail and with understanding if we had that information.

Mr Offord: Is my hon. Friend aware that the shooting in Finchley that the hon. Member for Derby North (Chris Williamson) mentioned was actually a gangland hit? I do not believe that the person involved held the firearm legally, but even if they did, that crime did not just occur because firearms are legal.

Mr Ellwood: My hon. Friend makes a valid point. As I said in an intervention, the Home Office does not collect or produce such data. The situation is tougher because the perpetrator of the crime does not conveniently leave their weapon at the scene, but nevertheless, statistics

[Mr Ellwood]

that differentiate the use of illegal and legal weapons would be helpful, as the hon. Member for Derby North said.

I am concerned about the data. There were 14,250 recorded offences, but we do not know how many involved the use of illegal guns. There is some breakdown analysis, because some categories of weapons are illegal, such as handguns – there were 4,275 incidents involving handguns and all those are illegal. Imitation weapons are not totally illegal, because they are used on TV sets and so forth, but they can be altered. We do not know how many are illegal. Those data would be helpful when we debate the Government's recommendations.

Paragraph 14 on page 10 of the report states:

"There is a lack of data in the public domain showing the extent to which legally-owned firearms are used in gun crime".

I hope the Minister can qualify that in his summation. Can such statistics be made public? In its evidence to the Committee, the Home Office states that

"the evidence suggests that the vast majority of crimes involving firearms are carried out with illegally-held guns".

Parliament has a duty not to throw the net of legislation across the entire gun community in the hope of pulling up some illegal weapons.

Hon. Members have pointed out the contribution that legal shooting activities make in our country. More than 1 million people participate in one form of shooting or another – whether for game, clay pigeon or targets. That makes a huge impact on the economy. The industry is worth more than £1 billion and involves the equivalent of 70,000 full-time jobs.

A recent Cambridge study showed that two thirds of the shooting community is also involved with the management and conservation of our countryside. The industry is therefore not simply about using guns and weapons, but about a relationship with the areas in which shooting takes place. Around £250 million a year is spent by those involved with gun communities. That goes towards the habitat and wildlife management of those areas.

The importance of exposure to weapons at an early age was mentioned. I hope that we agree on that now. Such exposure takes the mystery and glamour out of the weapon. That is recognised by the Government, because Sport England invests heavily to try to take out that mystery, so that people are not encouraged to get hold of an illegal weapon just to be part of a gang.

There is too much legislation, going back to the Firearms Act 1968. Firearms are also an aspect of the Anti-social Behaviour Act 2003 and of subsequent violent crime legislation. When there is a big terrorist explosion in the UK, there is a desire for the Government to be seen to do something and for them to look strong on the day, but I am pleased that we have taken a slower approach towards firearms legislation.

It would be useful for the Minister and the Committee to qualify the role of general practitioners. I agree that a relationship between the police and GPs should be developed when the police are deciding whether to award a licence, but should a certificate be granted before or after a GP assessment? The Association of Chief Police Officers report states that we should go further and suggests some form of tagging, but that would be a step too far.

The report suggests tighter restrictions and better guidance in the granting of firearms and shotgun licences to individuals who have engaged in criminal activity already. Does the Minister believe that those serving suspended sentences should qualify for a firearms or weapons certificate?

There is also the need to consider previous unconvicted behaviour. This is when the police are allowed to consider evidence and information on their database that do not form part of a criminal conviction. This gets a bit blurred, however, so I think that the Minister needs to be clear on whether such evidence or intelligence can be taken into consideration. Furthermore, the idea of consulting domestic partners and ex-spouses is moving us into another blurred area. If the person is an ex-spouse, it suggests that things have not gone too merrily. Would an ex-spouse really want to help his or her former partner? Again we are getting into a blurred area that could be prone to abuse.

I was interested to read what has been learned from practices in America, where they have a two-year licence instead of a five-year approach. Fingerprints have to be submitted, and there must be an hour of firearms training along with further registration every three years. Is the Minister aware of what America and other countries are doing, and could we learn anything from them?

One of my biggest concerns, however, is about the blending of licences issued under section 1 of the Firearms Act 1968 and shotgun licences. This is not a sensible move. The present system of shotgun licensing is more effective and efficient because it focuses on the person, not the firearm, whereas with section 1 firearm licences, a lot of time is wasted on the minutiae of the firearm type, calibre and whether the person should hold one. I shall give some examples of where section 1 licences might not work: a vermin controller would have to go through a huge amount of red tape, at great cost to himself and the police, just to swap a .22 inch rifle for another; or a deerstalker changing his weapon of choice from a .308 inch rifle to a .270 inch rifle would have to go through the entire process from the start. That would apply to any change from one calibre to another. It does not make sense. However, one section of the 1968 Act requires that good reasons be given and conditions set, and I believe that that should remain in place.

My next concern is about paragraph 84 of the report, which deals with current police guidance on firearms legislation. The guidance is out of date. Lord Cullen's report on Dunblane suggested that better training must be put in place for our police, but there is still no standard training on firearms certification in the UK. That must definitely change. This also relates to the point about the Olympics that I mentioned in an intervention. This is an example—I look to the hon. Member for Derby North—of legislation being hammered through this place at a rate of knots that did not serve this country well. Yes, a handgun was used in that horrible massacre, but there are ways to prevent handguns from being used by the general population. For example, they could be held and stored in armouries and taken out only by professionals. That would mean that people could still use them. It would also mean that our Olympic team could train in the UK. That would be a sensible approach to the use of handguns on which the Minister knows that I have been lobbying hard.

Chris Williamson: If the hon. Gentleman believes it appropriate to store handguns in a secure armoury, does he agree that it would be appropriate to store all firearms in a secure armoury in a similar way?

Mr Ellwood: That is exactly how this debate should proceed. I am saying that on this issue, about which I have endeavoured to learn a lot, it makes sense to allow handguns to be used in the UK, if they are kept under lock and key and if appropriate measures are put in place, such as a requirement that the safe be opened by three key owners. That would make sense. If the hon. Gentleman would like to roll that out further, he could put forward that proposal. The point that I am making, however, is that because of the legislation handguns were made illegal, yet there is now more handgun crime and it is the one area that is growing.

Mr Offord: In addition to the number of handguns held illegally, is my hon. Friend aware that between 1997 and 2006—since the legislation was introduced—the number of offences increased?

Mr Ellwood: My hon. Friend makes my point, which is why it is important to debate such matters thoroughly before we jump to a conclusion that we believe will satisfy the nation's appetite and anger. That is our role; it is what Parliament must do. This place operates badly when we rush through legislation, a point reflected in the Dangerous Dogs Act 1991 and other examples.

My final observation on the detail is about the proposals on the clarification of the age. There is no point in going into that further, but just to elaborate, no one under the age of 14 can own any form of weapon. They may be able to have a piece of paper saying that they have a certificate, but they cannot use a weapon unsupervised. That is a sensible way forward.

My penultimate point—a point made in an earlier intervention—is about the Press Complaints Commission. There is no need for me to dwell on this, but hon. Members will be aware that my family have endured our own tragedy, with the loss of my brother in a terrorist attack. When it happened we were deluged by the media, which is exactly what happened in Dunblane, in Cumbria, and so forth. The media pile in with such an intense and relentless level of intrusion that it really becomes an invasion, and this at a time when people feel at their most vulnerable. I spoke to those at the Press Complaints Commission, which has a process to deal with the problem. Unfortunately, they are not the people whom those affected would naturally want to phone up when such things happen. However, it is important to send out the message that when such events take place, the media have a responsibility to act responsibly—and not as they do at the moment, which is very invasively indeed—and to give people the space to manage their grief.

To conclude, firearms are part of the dangerous and complex world that we live in. However, we ignore at our peril the growth of gun crime on our streets. We cannot wish away the problem by legislating against those who use guns responsibly. It is the duty of the Government and Parliament to ensure that we carefully monitor what is happening on our streets, in our society and in our communities. It is also important to have that balance of legislation, so that we support those who want to use guns and weapons legally, and deny those who want to use them illegally. I very much welcome this debate, and I am delighted to have had the opportunity to speak in it. I look forward to hearing the Minister's concluding remarks and to our being able to debate the legislation when it comes through in, I understand, the spring.

8.37 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Let me start by associating myself with the comments of many right hon. and hon. Members about the dreadful incidents in Cumbria and other places. I was present at the June Westminster Hall debate introduced by the hon. Member for Copeland (Mr Reed). As a proud representative of a rural area, I can only think in horror of the effect that such an incident would have on my community. Everything that I say should be understood in that context.

Since that time there have been some encouraging signs of an emerging consensus, among organisations and authorities, on what would be a proper, responsible, measured and proportionate way forward. Like other speakers, I would like to dwell on just three aspects of that, which are the availability of firearms to young people, the use of medical records in the application process, and the thorny issue of what constitutes a proper form of certification.

I shall start by establishing some context. One passage in the Home Affairs Committee report states:

"Certainly licensed firearms do not appear to be used in the majority of cases."

That, I would suggest, is something of an understatement. I was pleased that the right hon. Member for Leicester East (Keith Vaz), the Chairman of the Committee, clarified that point earlier this evening. However, he did not go as far as the Committee did in April 2000, in its second report of that Session, which said:

"A common theme to many submissions is that illegally held weapons pose a far greater danger to public safety than those which are held in conformity with the present controls...it is clear that those determined to live outside the law are unlikely to respect the law's requirements when they wish to acquire or use a weapon."

Other Members have mentioned the way in which the law has performed in certain areas. It will come as no surprise to them that 52% of firearms offences in 2008-09 were committed with handguns, which were of course prohibited in 1997. That illustrates the point that both the Select Committee reports have made, albeit with a different emphasis.

The Committee went on to say:

"The proportion of licence holders who use their guns in crime is tiny",

and added:

"Many representations were made to us...about the legitimate enjoyment of shooting...and the wider benefits that shooting brings to the UK economy."

Other speakers have touched on that point today, but it is fair to re-emphasise that there are different approaches to firearms in urban and rural areas. In rural areas they are seen more as an essential tool of the trade than they might be in other parts of the UK. The shadow Minister, the hon. Member for Kingston upon Hull North (Diana Johnson), who is not in her place, spoke of the Opposition's recognition that 70,000 jobs were associated with the

[Simon Hart]

shooting industry—if I can call it that—and the fact that the industry injects £1.6 billion into the economy. My hon. Friend the Member for Bournemouth East (Mr Ellwood) also said that £250 million is devoted to wildlife and habitat management. That is a significant industry; to put it in context, it is not dissimilar in size to the UK film industry.

I want to dwell first on the issue of young people. Paragraph 7.7 of the Home Office's "Firearms Law: Guidance to the Police 2002" is no doubt familiar to many. It states:

"It is in the interests of safety that a young person who is to handle firearms should be properly taught at a relatively early age."

Others have expanded on that, including Assistant Chief Constable Adrian Whiting, as the Minister said in his opening remarks. I can see no evidence—emerging or otherwise—to suggest that young people who have access to firearms pose any danger whatever to society; in fact, quite the opposite. It is well within the capability of parents to make sensible and responsible decisions about the activities of their children. They do so pretty effectively every day of the week, and this is no different. There is simply no evidence to suggest that we should conjure up theories that would have a long-term downstream impact on shooting in the UK.

In case that is not sufficient evidence, I will quote a comment made at the weekend by Anita North, the Commonwealth games 2010 gold medallist and record holder, who said:

"People choose their sport at a young age. We have some extremely talented shooters in the GB team who started in their early teens. If they hadn't been able to get involved so young, they might now be taking part in some other sport rather than winning medals for shooting."

I shall turn now to the contentious issue of medical records, and start by taking careful note of the Information Commissioner's concerns about the security of data on the names and addresses of certificate holders. Large numbers of individuals within medical practices could have access to this sensitive material, the leaking of which could pose a significant risk. There is therefore legitimate concern about the proportionality of this measure. The Independent Police Complaints Commission could identify only six cases in which medical involvement at the granting or renewal stage of a licence might have made a contribution to the prevention of crime.

As we have heard, some medical practitioners—not many, but some—are unfavourably disposed to firearms ownership, meaning that licence holders might not visit their GP when they need to. A GP wrote to me only this weekend to say:

"our overriding duty is to our patients, to give them the best advice and guard the confidences they give us. A patient is not going to tell me things if I am going to pass information on to the authorities. We are the guardians of the patient's confidence, not agents of the state".

That position is reflected not only by the GP who bothered to get in touch with me but by many others across the country who have been in touch with other hon. Members.

Chris Williamson: Does the hon. Gentleman feel that the tragic massacres that took place in Hungerford, Dunblane and Cumbria could have been avoided if Michael Ryan, Thomas Hamilton and Derrick Bird been subject to a medical examination resulting in their firearms certificates being removed and their guns taken away from them?

Simon Hart: Let repeat what I said to the hon. Gentleman in an earlier intervention. The fact is that there are individuals who may be perfectly healthy and competent when they apply for and are granted certificates, but in subsequent years may feel that their health is changing in a way that poses a potential threat to the ownership of their certificates, and as a result may feel fearful about approaching their GP in case their circumstances are changed forcibly. That is not good either for their health or for public safety. I understand why the hon. Gentleman has made his point, but sadly, I do not think that there is any evidence to suggest that the outcome would have been any different if different measures had been in place at that time.

Chris Williamson: Will the hon. Gentleman give way?

Simon Hart: I will, but that is not an indication

Chris Williamson: I thank the hon. Gentleman

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Two Members cannot be on their feet at the same time. Is the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) giving way?

Simon Hart: Yes, of course.

Mr Deputy Speaker: I call Chris Williamson.

Chris Williamson: Thank you, Mr. Deputy Speaker, and I thank the hon. Member for Carmarthen West and South Pembrokeshire for giving way.

I think that the hon. Gentleman's argument reinforces my own point. Does he agree that rather than a voluntary arrangement—which I acknowledge could deter people from going to their GP for fear of losing their firearms certificate in the circumstances that he has outlined—there should be a mandatory test, perhaps annually? If he does not agree, will he explain why?

Simon Hart: I apologise for the earlier exchange, Mr. Deputy Speaker.

My answer to the hon. Gentleman's question is no. I will give my reasons for that answer in due course. I think that it is quite difficult to come up with a concept that would appeal to those who, like the hon. Gentleman, start from the absolutist position—which he is perfectly entitled to take—that nothing short of a total ban on all forms of firearms, whatever their purpose, is acceptable. However, I shall do my best in the few moments that I have left.

Let me try to nail the theory that consulting the spouse, or ex-spouse, of a certificate applicant or holder is somehow in the interests of safety. I cannot think of a more divisive and potentially litigious proposition. Some of the healthiest marriages and family arrangements are based on strong disagreement about almost every important issue, and arrangements of that kind often survive rather longer than others. On a flippant level, I think that such consultation would be a ridiculous intrusion into the way in which people conduct their lives. On a more serious level, I think that in acrimonious circumstances in which a marriage fell apart, the idea

that an offended ex-spouse, male or female, should have a say in the future enjoyment of his or her partner is ludicrous. I have read, seen and heard no evidence suggesting for one minute that that would have contributed greatly to a lessening of the chance of serious crime involving shotguns or firearms. The idea that we can expect spouses to become moral adjudicators on applications is clearly nonsense.

Finally, let me deal with the difficult question of certification. Here, the devil really is in the detail. I may have got this wrong—I am sure that the right hon. Member for Leicester East (Keith Vaz) will put me right if I have—but it seems to me that there is an implication that it would improve the position if the baseline criterion for applications for shotgun certificates were aligned with that applying to section 1 firearms. I cannot imagine that it is being suggested that the opposite should be the case, so I assume that the criterion for all shotgun certificate applications would rise to the section 1 level. Like my hon. Friend the Member for Suffolk Coastal (Dr Coffey), I can see why that might be attractive on the face of it, but I feel that it could be devastating to the shooting and gun trade in the United Kingdom. Let me cite the following at this point: "It would be one thing for a person to require good reason to hold a certificate for a shotgun—a reversal of the current burden of proof whereby the Chief Officer shall not grant a shot gun certificate if he is satisfied that there is no good reason—but quite another to require good reason to possess each and every shotgun, as is currently the case with rifles.

My hon. Friend the Member for Bournemouth East (Mr Ellwood) picked up on that, and put it rather more succinctly than I have managed. With this change in circumstances would come all sorts of requirements at variation stage, some of which are practically deliverable but some of which would impose an extraordinary burden, both financial and otherwise, on the already hard-pressed police force. If we consider the sheer number of shotguns in legitimate hands—they outnumber section 1 firearms by about 5:1, I think—we see that the burden that we would be putting on firearms officers and the police force in general is huge. The Select Committee is not as clear as it might be about precisely what the implications are, but perhaps that could be clarified.

All reasonable people will have looked on with horror as the various disasters we are discussing unfolded, most recently those in June and July, and they would accept that some consolidation of the existing legislation is an acceptable and sensible way forward. However, it does not necessarily follow that that consolidation should result in wholesale changes, as there is no evidence to suggest that such changes, had they been made earlier, would have altered the tragic events that took place.

I agree with many other Members that evidence and principle must be the two foundations of any changes made by this or any other Government. Of course the efforts of the enforcement agencies and the Government should principally be directed at the eradication of gun crime, rather than unnecessarily penalising legitimate firearms owners. Sadly, so far as I can see, none of the proposals in the Select Committee report would have altered the outcome of the events that we have discussed this evening.

Apart, perhaps—although I doubt it—from the unlikely and absolutist solution suggested by the hon. Member for Derby North (Chris Williamson), no system is going to be 100% watertight. I suggest that the consolidation approach is the best way of establishing a proper balance between the legitimate interests of users—whether recreational users or those who use weapons as part of the nuts and bolts of their daily job—and the legitimate safety concerns. A consolidation would achieve that without compromising the coalition's unequivocal commitment not to introduce legislation that unnecessarily impacts on people's daily existence so that they are unable to conduct their businesses or live their lives free from state interference. If the coalition can get us to that stage, and not be too distracted by some of the eye-catching but—I venture to say—dangerous suggestions we have heard this evening, that would be a not unreasonable place to reach.

8.53 pm

Heather Wheeler (South Derbyshire) (Con): It has been a pleasure to sit through the entire debate, and I look forward to hearing the closing speeches from the respective Front Benches. I come to this debate as a holder of a shotgun licence and the owner of a shotgun. I am also very proud that we in South Derbyshire have one of the finest rifle clubs, at Swadlincote, and excellent cadet forces and shooting clubs at Newton Solney, a parish for which I am still a councillor.

We have fantastic shoots in South Derbyshire that are very important to the local economy, and it is interesting to note the juxtaposition between people who handle guns and those such as my good friend the hon. Member for Derby North (Chris Williamson). There could not be a more obvious distinction between a city dweller and somebody who is proud to live in the countryside.

Chris Williamson: Just for the record, I grew up in the countryside and am very familiar with it, and I regularly walk in the beautiful Derbyshire countryside, so it is not legitimate, worthy or in any way relevant to suggest that I do not understand the firearms issue because I happen to live in the city at the moment.

Heather Wheeler: The hon. Gentleman has put that on the record. Interestingly, I recall that we went through great angst last time around with a report produced when Sir Ivan Lawrence was Chairman of the Home Affairs Committee. That report created huge ructions in the shooting community because of the resulting legislation, which is why tonight's debate is important. I commend the current Chairman of the Select Committee, because the 22 recommendations are very fair. They contain nuances, which I am sure the Government will examine for the next two months, and the consultation will go on from there. My abiding feeling is that I do not believe that there will be a knee-jerk reaction to anything.

One of the dreadful phrases I use is, "We mustn't throw the baby out with the bathwater.", but shooting is an extremely important part of our economy and our sporting heritage, and I believe that we will do extremely well in the Olympics: all that must not be sucked into the great concern we have when a few people involve themselves in tragic incidents. It is absolutely frightening that the pressure and power groups almost seem to be trying to put down great history, important parts of the

[Heather Wheeler]

economy and the sporting tradition of this country. None of that must change because of tragic incidents that take place in this country.

I, too, agree that it would be very worrying if the different types of licences were put together—even if there were to be a part A licence and a part B licence—because confusion would arise, even for the police, who deal with this on a day-to-day basis. May I put on the record how excellently the Derbyshire police force handles licensing arrangements? I can tell the Minister that the force gets it: Derbyshire's police absolutely understand the difference between the types of certificates. We ought to leave it with the professionals, and we ought not to dabble any further.

8.57 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): It is a great pleasure to follow my hon. Friend the Member for South Derbyshire (Heather Wheeler), who talks from her own experience of holding a shotgun licence, and the excellent speech of my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart). Given that more than 700 people have died as a result of gunshot injuries and gun crime over the past 13 years, it is a great tragedy that we are having this debate only because it takes something such as the terrible events in Cumbria to bring this issue to the attention of the House. The work that the right hon. Member for Leicester East (Keith Vaz) has done with the Committee on this matter is greatly to his credit and is very valuable.

However, we need to highlight a few key issues and strands. First, the distinction has not always been made clearly in this debate between gun crimes perpetrated by people who were holding illegal weapons and those who hold legal weapons. Many of those 742 gun crime deaths were caused by people holding illegal weapons and not by people who have legal gun licences. I made the point in an intervention that Suffolk has the lowest rate of gun crime in the UK—we are very proud of that, notwithstanding those incidents involving air rifles in Lowestoft mentioned by the hon. Member for Derby North (Chris Williamson)—yet 97,000 gun licences are held by those in the east of England, which is a very high level. That shows that there is not necessarily a causal effect between owning a gun licence and committing a gun crime. We know that gun crimes tend to happen in deprived urban areas, where those who commit crime do not hold gun licences. The key thing is to draw that distinction, because if we are to legislate on this issue, we must ensure that it is effective and addresses the key areas.

One thing we must do is to broaden out this debate. It is about firearms control, not just the terrible events in Cumbria, Hungerford or Dunblane. We need to ensure that the legislation and recommendations passed in this House will make things better. It is very difficult, because we have not heard any conclusive evidence this evening that changing the legislation to deal with licensed firearms will make any significant difference.

We know that there are issues with tackling the gun culture in our inner cities. In dealing with that culture, we need to stop the illegal trafficking of guns in this country and the police need to deal with that trade effectively, including on our borders. In some inner cities, however, dealing with education in schools, particularly in deprived areas, and the police working with communities to highlight the problems of gun crime would be a far more effective way of dealing with illegally committed acts and with communities where there are problems with gun crime. In many rural communities, however, people hold gun licences and are very law abiding. Earlier in the debate I talked about Suffolk, where people use guns for pest control. I do not shoot—I have no interest in shooting—but we must accept that the number of law-abiding citizens who do not commit crime and who do not have any interest in misusing their guns use their guns for sport and for pest control. We must accept that legislation must be effective and targeted on the causes of illegal gun crime in this country. It should not be focused on a knee-jerk reaction to one or two terrible events that results in banning guns for those who use them for legitimate, law-abiding sport or pest control reasons.

Based on my experience as a doctor, I want to pick up on the issue of medical practitioners. Would it necessarily be useful for medical practitioners to have to tick a box every year for the 97,000 people in the east of England who have gun licences? Is it important that those medical practitioners should be consulted annually? Far too often in my professional life, I saw the pointless forms we had to fill in. We ticked the boxes but it did not improve patient care or make things any safer. It is important that we do not stigmatise people with mental health conditions. People are perfectly competent and able to make informed choices. They are not necessarily going to be more likely to run off and commit a gun crime than someone who does not have a mental health condition. We need to be careful not to draw that stigma into the debate. To be perfectly frank, a piece of paper signed on one day of the year does not necessarily mean that in three, six or nine months that person will not have seen their mental state deteriorate considerably. Ticking a box does not mean that we will make things any safer, and the case has not been proven.

We know that when medical practitioners have a serious concern about the conduct of a patient—for example, a fear that a patient is a paedophile or the knowledge that a patient might be a danger to themselves or to the public—they take it into their own hands to breach medical confidentiality. There are many such cases. They breach medical confidentiality because the duty to society is greater than the duty of confidentiality. We have to trust them—we should not put an onerous burden on medical practitioners that will not necessarily be effective.

Simon Hart: If there was a situation in which my hon. Friend was required to make such observations and somehow failed to pick up on a patient's mental health, which led to a dreadful tragedy, what would be the legal and professional implications for his trade?

Dr Poulter: There is always a blame culture, and we would have to be careful that a simple form that a doctor had to sign on one day of the year could not be used as a sledgehammer to hit that doctor or medical practitioner over the head later on because somebody perpetrated a bad act. As I have said, and as I think my

hon. Friend accepted in making his point, someone's mental state can deteriorate quickly—a switch can be flicked in someone's mind and it is impossible to legislate for that. Simply involving a doctor in this process will not make that any less possible.

It is not only with gun crime that a switch can be flicked in that way, as we saw in north Wales with the Peter Moore case. In 1995, he killed four men with a knife in a random rampage. It is not just with gun crime that people temporarily lose control and go on a rampage—it happens with other weapons. In America there have been cases with samurai swords. We have to be careful not to legislate on the basis of one or two terrible tragedies, such as that in Cumbria. That is an important point for the House to consider.

Sir Alan Beith: I am interested in this argument and I agree that a box-ticking exercise is no use, but GPs in rural communities will often be aware if patients are gun licence holders and might well pass on information if they are seriously concerned. The question is what to do in urban communities in which GPs might be unaware who is a gun licence holder. As my hon. Friend says, the problem is often the illicit gun holder who does not have a licence anyway.

Dr Poulter: My right hon. Friend makes a very good point. Let us consider how effective that piece of paper—that box-ticking exercise—would be in an urban community. The turnover of patients in most GP practices in areas such as Camberwell, where I was a medical student, is a third of patients every year. Therefore, such a measure might not work because, with such a high turnover, it is not easy to keep track of patients who move and migrate around London and fall in and out of registers. As my right hon. Friend said, the people we are dealing with in urban areas are not those with licences but those who possess handguns illegally. Community engagement and education in schools is so important in addressing those issues.

We have had a very good debate and I will not talk for much longer. Members need to ask whether further legislation that would give doctors more onerous responsibilities to fill out forms, and that would make it more difficult for people to have gun licences, would make anybody safer. I think the answer is conclusively no. We cannot legislate for terrible tragedies such as that in Cumbria. Unfortunately, they will happen no matter what we do. It is easy, as the right hon. Member for Leicester East said, for us and the media to get the retrospectoscope out and judge things retrospectively in the hysteria of political debate. We need to legislate for the reality, which is that law-abiding gun owners who have a licence do not tend to misuse them. For the reasons I have given, I do not think that there is a conclusive case for strengthening the legislation.

9.8 pm

Clive Efford (Eltham) (Lab): Like everyone who has taken part in the debate, I want to express my sympathies for those who were involved in the incidents in Cumbria and Northumberland, particularly David Rathband, the police officer who was blinded by Raoul Moat. I join others in paying tribute to my hon. Friend the Member for Copeland (Mr Reed), the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) and my hon. Friend the Member for Workington (Tony Cunningham). In making their interventions, they showed how these events have affected their constituents and made a significant contribution to the debate.

My right hon. Friend the Member for Leicester East (Keith Vaz), the Chair of the Select Committee, told us that the Committee had made every effort to publish the report in time for today's debate, so we are extremely grateful for the hard work that members of the Committee have done on behalf of the House in order to inform the debate. It is a shame that it is taking place on a day when there is a one-line Whip and the weather is so inclement that undoubtedly some Members who would have wanted to be present cannot be here. My hon. Friend the Member for Copeland was unavoidably taken away. I know he was extremely disappointed not to be able to participate in the debate.

My right hon. Friend the Member for Leicester East emphasised the need to avoid regulation that would put our sports people who take part in firearms events at a disadvantage. He highlighted the issues surrounding the various age limits relating to guns. In order to save time, I shall not read them out from the table on page 42, as he did. As my right hon. Friend pointed out, these have been batted over to the Government to consider and we look forward to their response to the anomalies identified by the Select Committee.

We look forward, too, to the codification of the 34 pieces of legislation that have been introduced over the past century to regulate guns in the UK. My right hon. Friend referred to the need for GPs to recognise their crucial role in alerting police to the potential dangers posed by some of their patients who have gun licences.

The hon. Member for Suffolk Coastal (Dr Coffey) compared the attitudes of people in the USA with those of people in the UK, highlighting the fact that there was little appetite among people in the UK for owning guns. They do not have the same attitude as people in the USA to the right to own a gun. She said that changes to gun control would not have stopped the incidents in Cumbria or Northumberland, and questioned the need to regulate further, but she called for action on criminal behaviour, an issue highlighted in the Select Committee report.

The hon. Member for Carshalton and Wallington (Tom Brake) called for an evidence-based approach to making changes and stressed the need for any changes to be proportionate. He wanted the issue of imports to be addressed and spoke of the potential role of elected police commissioners in future in tackling gun crime. He, too, cautioned against regulating in a way that would impact on sport, which was a regular feature of the debate.

My hon. Friend the Member for Derby North (Chris Williamson) was a major dissenting voice in the debate. He gave figures for November which showed a large number of incidents involving firearms to support his case for stricter regulation. His preference was for a complete ban on gun ownership, but he recognised that that view might not command a majority in the House. He urged the Government to look at the recommendations of the Select Committee and to regulate more stringently in future. He also called for a mandatory annual medical test and a complete ban on guns being stored in homes.

[Clive Efford]

The hon. Member for Bournemouth East (Mr Ellwood) reminded us that gun crime takes place all too frequently in our society and that our job as legislators is to protect the public. He called for more data to be collected by the police on whether guns used in crimes were legal or illegal. Again, that is an issue referred to in the Select Committee report. He mentioned the important role of sports people in wildlife conservation, a theme picked up by the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart), who referred to the vital role and the money invested by people involved in gun sports in wildlife conservation and husbandry. He also expressed concerns for the future of firearms sport, as did many hon. Members, and he was concerned to ensure that GPs do not become agents of the state who are required to breach patient confidentiality in passing information to the police.

The hon. Member for South Derbyshire (Heather Wheeler) paid tribute to the Swadlincote gun club and cited the importance of shoots to her local economy. I have never held a gun, let alone fired one, apart from an air rifle that somebody else owned when I was young, but I had a friend who managed a shoot, and we had interesting conversations about the investment and contribution that shoots make to local economies, so I have nothing but respect for people in that industry. The hon. Lady opposed the recommendation of a single licence, but she commended Derbyshire police on their handling of the licensing process.

The hon. Member for Central Suffolk and North Ipswich (Dr Poulter) laid claim to the lowest rate of gun crime in the country and questioned whether evidence showed that changes to gun regulations would make a difference. He, too, said that we need to focus on and target illegal gun crime, and he referred, from his professional experience, to the danger of stigmatising people with mental health conditions and breaching patient confidentiality.

My hon. Friend the Member for Kingston upon Hull North (Diana Johnson), who opened the debate for the Opposition, made a number of points. She mentioned the considerable possible savings from staggering the renewal of existing licences and dealing with the bulge in renewals that the introduction of previous legislation caused. We will be interested to see the Government's response to that. She also wanted the Government to respond to the Committee's 22 recommendations, and they say that they will do so within two months. Given the importance of the issue, we would also like confirmation that they will do so on the floor of the House in the form of an oral statement.

Keith Vaz: First, may I congratulate my hon. Friend on his long-overdue elevation to the Front Bench?

Some of us have already received e-mails following the publication of various reports, and this is a debate that should include the public. We as parliamentarians need to have the final say, but it would be worthy of us to allow a more general debate on some of the issues.

Clive Efford: I could not agree more. The wider public—in particular, those communities directly affected by such incidents will want to respond to the recommendations of my right hon. Friend's Committee, and to have some input into the Government's response.

Mr Ellwood: It has been made clear that we cannot legislate against another attack. Sadly, there is likely to be another attack such as Dunblane or Cumbria, and indeed another terrorist attack. Our purpose in this place is to ensure that we have the correct legislation, and interestingly the Committee Chairman admitted that his knowledge of firearms extended only to carrying a water pistol. Does the hon. Gentleman agree, therefore, that, unless we have a cognitive, sober and detailed debate to ensure that we understand the full issue, our decisions in this place will not be made on solid grounds?

Clive Efford: I agree. The Committee Chairman made that point himself, noting that he and members of the Committee had gone to great lengths to understand a great deal, had been educated and had even had their views changed on certain aspects of what I would call the legitimate firearms industry and legitimate firearms sport. It is important that people are well informed when they legislate, whether on guns or anything else. That is the logical thing to expect of people involved in passing legislation.

The Minister for Policing and Criminal Justice made a number of commitments on the recommendations. He said that the Government would consider reviewing convictions in terms of the renewal or revocation of licences. On additional regulation, we would not want the police to spend more time enforcing regulations on the legal ownership of arms at the expense of dealing with the illegal use of arms. In addition, the police should be identifying and following up cases where we might want to call into question someone's ownership of a licence, rather than investing a great deal of time in renewals. That is why the Select Committee recommends that, rather than having a renewal period of every two years, the existing five-year period should be retained.

The Minister also indicated that he would consider the issues surrounding ages and the recording of what types of weapons have been used and whether they are legal or illegal. During the debate, several hon. Members referred to the need for there to be a crime reduction strategy to tackle wider illegal activities—for example, the issues surrounding the illegal drug trafficking industry, organised violent crime and the use of weapons in domestic violence incidents. All those matters were referred to by the Select Committee and we would like to see them mentioned in the Government's response.

Many hon. Members have said that we must not have a knee-jerk reaction, and I think we would all agree that if one legislates in haste, one repents at leisure. However, we should remember that individuals such as Derrick Bird had legal access to firearms and therefore it is absolutely right for the Select Committee and the House to review the laws on the licensing of guns.

The report makes it clear that we have the tightest regulations on the licensing of firearms anywhere in the world and that we have a relatively low level of gun crime, despite all the serious incidents there have been. The report concludes that legal firearms do not appear to be used in the majority of cases where weapons are discharged or used in crimes. In legislating, we should prioritise public safety. If we introduce regulations, they should not harm the future of the legal use of weapons in the pursuit of sport but, where necessary, we should legislate to protect the public.

9.23 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I congratulate the hon. Member for Eltham (Clive Efford) on his promotion to the Front Bench and wish him well in his new role. This has been an interesting and well-informed debate, which has highlighted some of the themes that emerge when considering the difficult and, at times, emotive issue of the control of firearms.

People who possess firearms legally usually conduct themselves safely and conscientiously and are among the first to condemn the criminal misuse of firearms. However, following the tragic events in Cumbria and Northumbria, there has been a ready recognition of the need for a debate about firearms laws and licensing. At the outset, I pay tribute to all those who have been touched by those desperately sad events—the families of those who have lost loved ones; the victims who have survived such traumatic incidents; and the police, the emergency services and other organisations, such as Church groups, that have been involved in all those incidents. Our thoughts and prayers are particularly with the families and those who have been touched by this in some way.

During the debate, there have been calls for consideration of the issues to be thorough, proportionate and having due regard to informed opinion on what, as we have heard, is undoubtedly a complex and emotive subject. We have had an interesting and wide-ranging debate that has met all those considerations. As my right hon. Friend the Minister for Policing and Criminal Justice said in his opening remarks, the Government are very much in listening mode, and today's debate has been invaluable in setting out the main issues and the arguments for and against particular changes to the law. We will reflect carefully on everything that has been said and wish to take into account any other views from interested parties before deciding what further measures might be needed to improve public safety.

We have already taken delivery of Assistant Chief Constable Whiting's useful and informative peer review of the tragic shootings in Cumbria, and we have also seen the report by Assistant Chief Constable Sue Fish on behalf of ACPO's criminal use of firearms group. I have met them both since the publication of their reports and discussed with them in detail their recommendations.

In the course of the next two months, we will respond to the recommendations made by the Home Affairs Committee, which has just reported on its own investigation into whether there is a need for changes to the way in which firearm and shotgun certificates are issued, monitored or reviewed as a means of preventing gun violence. We will consider that carefully. As part of that, we will also consider the need for a broader debate and consideration. The Government will seek to strike a balance in ensuring that our controls are targeted fairly and proportionately.

I pay tribute to the hon. Member for Copeland (Mr Reed), who has been unable to be here today for reasons that I fully recognise. I am sure that he will want to be part of the continuing considerations and discussions on this important and sensitive issue. We will seek to continue bilateral discussions with him as matters progress.

I will seek to reply to a number of the points made during this wide-ranging and interesting debate. My hon. Friend the Member for Suffolk Coastal (Dr Coffey) made a well-informed, thoughtful contribution that highlighted many of the themes that come through in Assistant Chief Constable Whiting's review, as well as the need to grapple equally with the criminal issues and those of the law, which I will reflect on in later comments. As the Chair of the Select Committee has said, those of us with a non-classical education have also been educated in the use of Latin.

I thank the Chair and his Committee for their very helpful and informative report and pay tribute to the detailed and careful examination that they have conducted. I will respond in slightly further detail on the issues relating to age and to the role of doctors, but let me deal now with changes to the law and consolidation. As I said to the Select Committee when I appeared before it to give evidence on this specific point, I recognise that there are two potential themes. The law itself is complex, but so is the way in which it is interspersed in several different pieces of legislation. I therefore hear the calls for consolidation as well as simplification.

We will have to consider the matter carefully, because, as I said to the Select Committee, when one starts to change the law, new avenues for legal challenge can be opened, and there is a lack of certainty attached to new legislation. We will carefully consider the points that have been raised by the Select Committee, and in the interim we will consider the need for revised Home Office guidance to present the existing legislation as clearly and simply as possible. This matter has been raised by other hon. Members, ACPO and other interested parties, and we will consider their points in detail.

My hon. Friend the Member for Carshalton and Wallington (Tom Brake) highlighted the important contribution of firearms in sport, and thereby raised the broader context in which we must consider this issue. He raised a specific issue about arm's length management organisations in social housing. I have not received any representations on that point, but perhaps there are specific issues with regard to landlords and tenants that fall outside the issues that we have been debating. I am willing to consider any specific points that he subsequently wants to raise.

Tom Brake: Does the Minister have a ministerial view, or a personal view, on whether it is appropriate for an ALMO or a council to introduce a ban on the possession at home of legally held firearms?

James Brokenshire: There may be matters relating to landlords and tenants. We must consider carefully the issue of storage, as the Home Affairs Committee has done. I am happy to reflect on that matter further, but we must be careful and cautious so that we do not impose restrictions without properly considering their implications. Such restrictions might create more risk, rather than reducing the risk. However, he has fairly highlighted the issue.

The hon. Member for Derby North (Chris Williamson) described the shocking impact of gun crime by highlighting specific examples and issues. This will always be an emotive issue, on which there are strongly held views, and I thank him for bringing that context to this evening's proceedings. He wanted further clarification on GPs, and I will come to that.

My hon. Friend the Member for Bournemouth East (Mr Ellwood) discussed the Olympics, which is a matter

[James Brokenshire]

that we have corresponded on and discussed. I have inquired of the Minister for Sport and the Olympics whether the existing restrictions are hampering preparations for the 2012 games, and I am advised that they are not. We will review the arrangements post-2012 to consider whether further changes are required.

Mr Ellwood: Only those who have been selected for the squad have been given licences to participate in training in the UK. Will the Minister consider the long term and the legacy of the Olympics? Looking forward to the next games, we will still need to be able to train in the UK.

James Brokenshire: I know that my hon. Friend feels strongly about sporting development. As I have said, we have considered the matter with Ministers at the Department for Culture, Media and Sport, and they are satisfied with the current arrangements. We will continue to keep the matter under review after the Olympics.

My hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) highlighted the issue of shotguns and the different regime of section 1 licences. That point was taken up by my hon. Friend the Member for South Derbyshire (Heather Wheeler). The issue is complex, and we are examining the overlap and the common test of fitness for purpose. A Home Office working group, which includes representatives of the police and shooting interest groups, is working to devise a single application form. That group will look into the feasibility of a single certificate, too, but we recognise the complexity of the arguments involved. As my hon. Friend the Member for Carmarthen West and South Pembrokeshire has said, the devil is in the detail.

It was instructive to hear the contribution of my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) on the need for a broader debate on firearms control, and I agree with him. It was equally interesting to hear about his experiences as a doctor.

A number of matters will require further examination and consideration, as the Chair of the Home Affairs Committee indicated. Some may require legislation, but we might be able to deal with some in other ways. On that point, doctors have an important role to play and we welcome the agreement between the British Medical Association and the Association of Chief Police Officers that the police will notify a GP of the grant or renewal of a firearms or shotgun certificate. They are seeking to implement the arrangement within six months, and in essence it will involve a system of notification by way of a standard letter. That will mean that GPs are in a position to alert the police if they have concerns, and the police will then be able to request a medical report under the procedures that normally apply to licensing.

ACPO will now draw up a more detailed paper on the matter, and the BMA will produce guidance for doctors. The system is a welcome step forward, and there will be further discussions about the possibility of placing a marker on computerised medical records to create a more enduring record of which patients own a firearm. A number of privacy and other issues mean that that requires detailed consideration, but I welcome the steps that have been taken thus far.

On the matter of age, it is important to remember that the police grant a certificate only if they are satisfied that a gun can be held safely and without risk to the public. That means that a young person is subject to the same checks regarding suitability, storage and so on as an adult. In such cases, it is usual that the young person's parents or another responsible adult will supervise them and take responsibility for the weapon when it is not in use. As my right hon. Friend the Minister for Policing and Criminal Justice said earlier, the Government believe that it is important to focus on whether shooting activities are conducted safely and responsibly. We have received no evidence to date that there has been any misuse as a result of the existing provisions, but we will reflect on the concerns that have been raised both in the Home Affairs Committee's report and in the debate today.

There is much for the Government to take away from today's debate. We will genuinely reflect on what has been said, along with the other sources of evidence and opinions. The focus of this evening's debate has largely been on the legal holding of weapons, but we recognise the important contribution of the National Ballistics Intelligence Service, which has done extraordinarily good work in setting out the intelligence picture on the illegal use of weapons. We are also looking to strengthen the approach to serious organised crime through the creation of the national crime agency, which will be an important step forward in bearing down on such crime. We will also deal with the criminal gangs that often sit behind the use of illegal weapons and the sad tragedies that affect many of our communities.

We will form a view on what more might be done not only to help prevent further tragedies, such as those in Cumbria and Northumbria, but to ensure that we have effective and proportionate firearms controls. Although we have stringent firearms controls—Assistant Chief Constable Whiting has said that they are "robust"—we keep them under review and are prepared to tighten them further if necessary. The Home Affairs Committee's report, the input of ACPO and others and the points made in today's debate are important contributions in that regard, and all options are open for discussion.

Question put and agreed to.

Resolved,

That this House has considered the matter of firearms control.

Business without Debate

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Ordered,

That Mr David Anderson be discharged from the Environment, Food and Rural Affairs Committee and Barry Gardiner be added.

(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)

PETITION

Feed-in Tariffs

9.40 pm

Neil Parish (Tiverton and Honiton) (Con): I present this petition on behalf of my constituent, Mr Savile Burdett, of Axminster in Devon. He is petitioning the House to ask the Secretary of State to amend existing legislation in December 2010 so that photovoltaic solar collection systems may be installed by any householder

who believes himself competent either alone or with the assistance of others whom he chooses, provided that the system is inspected for electrical safety by his local authority or by a local electricity supply authority.

The Petition states:

The Petition of Savile Burdett, of Axminster, Devon,

Declares that the Petitioner believes that the present regulations concerning Feed-in Tariffs for photo voltaic generated energy in homes are unfair, reward richer rather than poorer people and deter new ideas and technical development; that Feed-in Tariffs (FITs) were introduced by the Department of Energy and Climate Change (DECC) to start on 1st April 2010; that these are payments for various energy saving systems including photo voltaic solar generated electricity (pv solar); that payments are made to the householder, to encourage energy saving and consequential reduction of carbon emissions and additionally to encourage the growth of the industry; that, provided the system is installed to certain preset standards by MCS certified companies, specified payments are made for each unit of electricity generated; that additionally, when more is generated than is needed by the householder at the time, an export tariff is paid for electricity exported to the Grid; notes that if, however, the system is not installed by MCS certificated companies it will not be eligible to receive the FIT generation tariff or the guaranteed FIT export tariff; notes that the Petitioner believes that there are a number of disadvantages to this system; that the current regulations give some degree of monopoly power to certain companies, by in effect charging a householder who chooses to forgo the MCS certificate guarantees and either have the system installed by a contractor whom he trusts, but who is not MCS certified, or to do the work himself, which may be cheaper; notes that householders who install their own equipment or use a contractor who is not MCS certified receive no payment for surplus electricity generated and supplied to the Grid; and further notes that the current regulations may deter development, by discouraging developers from installing and testing new technologies. The Petitioner therefore requests that the House of Commons asks the Secretary of State to amend existing legislation during November 2010 so that photo voltaic solar collector systems may be installed by any householder who believes himself competent, alone or with the assistance of others whom he chooses, provided the system is inspected for electrical safety by his Local Authority or by the local electricity Supply Authority.

And the Petitioner remains, etc.

[P000871]

Mobile Phones (Health Effects)

Motion made, and Question proposed, That this House do now adjourn. *(Mr Dunne.)*

9.41 pm

Mr Tom Watson (West Bromwich East) (Lab): It is a great testament to science and maths writers such as Ben Goldacre and Matt Parker that no self-respecting politician can make speeches in the House of Commons without taking heed of the science behind their contribution, so at the outset let me tell the Minister that I am sure we both agree that public health decisions must be grounded in scientific facts and that our public policy must be evidence-based. As we have both read around this subject, we will probably agree that there is no conclusive evidence to prove the link between mobile phone use and brain cancer.

Let me contradict myself at the beginning of this speech by making an allegation for which I have little factual evidence. From my experience of nearly a decade in the House, it is my view that the more an industry or organisation wishes to hide something unpleasant or do something unpopular, the more lobbyists it employs to talk to MPs. The $1 trillion telecoms industry hires a lot of lobbyists.

I do not seek to persuade the Minister that there is a link between brain cancer and the radiation emitted by mobile phones, but I want to convince her to take a sceptic's eye to the recommendations before her in future public policy. A number of scientists and epidemiologists believe that although there is no certainty that mobile phone use causes tumours, there are ample causes for concern. At the very least, I ask her to look at the work of Siegal Sadetzki or the earlier work of Allan Frey, and to read "Disconnect", a recently published book by Devra Davis, and the work of Henry Lai.

Some of those scientists and writers challenge the conventional thinking in the telecoms industry. I make no apology for giving their case a hearing in the Chamber tonight, although I accept that they are not the only voices in the debate. I should like to tell the Minister first why the industry needs to put a greater emphasis in its communications to consumers on the potential risks that mobile handsets cause, and secondly, why I am concerned about independent research. I shall also outline what I think needs to be done to remedy those two problems.

The Minister is new to her post, but she could make a big difference to public policy before she gets that promotion that I am sure she deserves in the imminent reshuffle that we read about in the papers. The mobile industry is big business and an important player in the UK economy. Ofcom's most recent figures from its communications market report show that operator-reported retail revenue currently totals £30.4 billion. Mobile retail revenues are £14.9 billion; mobile voice call minutes amount to 118 billion; data volumes over mobile networks increased by 240% in 2009; and more than 96 billion text messages and 600 million picture messages were sent in 2009. The Office for National Statistics estimates that mobile phone ownership has increased from 65% in 2001 to 81% in 2009 and, worldwide, 5 billion people are using mobile phones. In the UK, that means that there are now more mobile phone connections than there are people – an estimated 80 million.

[Mr Tom Watson]

One of the key concerns of scientists such as Devra Davis is labelling. She says that the labelling of phone products in store, online and in the literature a person receives with their phone is woefully inadequate. I also accept the case from statisticians such as Matt Parker who disagree with me. Matt told me today:

"The only basis for precautionary labelling mobile phones would be on a hunch. There is no evidence for it. Of course we should continue research, and make sure it is independent and unbiased, but there is no need to give people the impression that they should alter their use of mobiles when there is absolutely no basis for it".

Yet the mobile phone companies themselves provide precautionary advice—it is just difficult to find it. If someone wanted to make a judgment on whether to purchase a phone based on its specific absorption rate, which indicates how much electromagnetic radiation is absorbed by body tissue while using a mobile phone—the higher the SAR, the more the radiation is absorbed—or on how close to their head they can hold the phone, they could not do so at the point of sale, because the information is simply not there. It is not available on the shop floor or at the click of a button online.

I suspect that most sales staff would not be able to recommend which phone a consumer should buy based on its radio frequency exposure either. Yet we know that the legal departments of mobile phone manufacturers are all now slipping into the fine print a warning about holding a phone against the head or body. That, in itself, is not enough, and they are not giving this information enough prominence in their literature. Why are the manufacturers printing these warnings, after years of denying that there was any risk of radiation, if they are of the view that there is no cause for concern? Apple, for example, suggests that users of the iPhone should keep about five eighths of an inch between the handset and the head. Research in Motion—the manufacturer of the BlackBerry—is even more cautious, saying that people should keep a distance of about an inch.

For the average user, those warnings require a magnifying glass to read. They are usually in point 8 font size or below and make up part of the little slip tossed aside when a phone is unpacked. If someone managed to struggle through any of these booklets and reached the advice, they would be one of only a handful of people ever to have managed it. How many people even know that radio frequency exposure comes from the phone's antenna? Not many, I suspect. How many people know that this exposure is stronger when a phone is kept in clothing, which weakens the signal, causing the power to increase? How many people know that it is recommended, if mobiles are carried on belts or in pockets *[Interruption.]* I am sorry, would the Whip, the hon. Member for Ludlow (Mr Dunne), like to get in? Is he seeking to intervene? No?

How many people know that it is recommended that if mobiles are carried on belts or in pockets, the liquid crystal display and keypad should face towards the body? The fact is they do not. Hardly anyone knows what advice is given on the use of handsets. Although all phones sold in the UK fall within the SAR guidance of 2 W per kilogram in 10 grams of tissue for electromagnetic radiation absorbed, most users would probably be shocked to learn that each handset differs and that the manufacturers give different guidance on using phones.

Improved labelling has support among many academics and organisations, such as the EM Radiation Research Trust, which was brought to my attention by my hon. Friend the Member for Sefton Central (Bill Esterson), and Powerwatch.

Bill Esterson (Sefton Central) (Lab): Like me, Mr Speaker, you have young children. Also like me, you will be concerned if there is compelling evidence of the dangers of mobile phone handsets or masts. My constituent Eileen O'Connor, of EM Radiation Research Trust, has drawn to both my attention and that of my hon. Friend the strong evidence of the dangers of electromagnetic radiation, particularly to children. Does he support calls for the Government to investigate the safety of mobile phone handsets and masts, and either to issue stronger guidance or to legislate on the basis of that evidence?

Mr Watson: Yes, and I am going to make the case that the science should leave no stone unturned. If my hon. Friend lets me develop my argument, I am sure that he might want to comment on it later.

Improved labelling has support among many academics and organisations. For example, Alasdair Philips from Powerwatch has stressed to me that safety advice should be included in an obvious position, such as the "Getting started" section of a new phone booklet, not buried in the back pages of the manual. I cannot vouch for those organisations, but they are entitled to have their voices heard in this House. It is often hard for independent organisations to be heard above the cacophony of voices from telecoms lobbyists.

We might even need to go one step further. The Government should consider the merits of obliging manufacturers to place health advice and SAR ratings on the outside of handset boxes. Ohio Congressman Dennis Kucinich is pressing Congress to look at passing a similar law. He summed up his thoughts perfectly when he recently said:

"Until we know for sure, a labelling law will ensure that cellphone users can decide for themselves the level of risk that they will accept...mobile phone companies should not be the ones making that decision for us."

San Francisco aims to become the first city in the USA to require large wireless retailers to display a device's SAR rating prominently. The regulation will come into force at the start of February next year. Lawmakers in Oregon and in Californian cities are considering similar steps. Around the world, other nations are extending the cautionary approach.

The German Government, for example, has introduced the Blue Angel phone label. In order for mobile phone manufacturers to be able to display the BA sign on their products, their SAR ratings must not exceed 0.6 W per kilogram. Although the German Government's current safe limit is in line with the EU level of 2 W per kilogram, it is perhaps the first recognition that the EU's rating is already much more lenient than that of the US, Canada or New Zealand. In Germany, the Federal Office for Radiation Protection publishes the SAR ratings of all mobile phones on sale in Germany. Why not put the ratings on our direct.gov website, so that British consumers who are interested in the issue

can get the facts? The bottom line is that consumers should be given enough information about SAR levels to allow them to make an informed purchasing choice. At the moment, they cannot do that. This Government believe in transparency, and I applaud them for that. I believe in the power of information. The Minister can ensure that consumers are far better informed about the science around their mobile phones, should they be interested.

On the risks of mobile phones, thousands of studies have been published in scientific journals, forming the basis for systematic reviews by health agencies. The balance of evidence to date would suggest that there are no short-term established adverse health effects on the brain from mobile phones. To pretend that the long-term effect of exposure to such devices over more than a decade is known, however, is false. It is not known, and the matter will not be settled until the science leaves no stone unturned. Despite the mobile phone lobby's claim otherwise, many key and respected studies have suggested that there may well be a link between mobile phones and brain cancers. Although such studies do not identify a causal link, they insist that further research is warranted and emphasise the need for caution in public policy making. As far back as 2000, for example, the Stewart report said that the use of mobile phones is not totally

"without potential adverse health effects".

Although Sir William's report said that there was no evidence of a health risk to either adults or children at the time, it said that children should be discouraged from making "non-essential" calls until further research had been completed.

Bill Esterson: My hon. Friend seems to be saying that there is strong evidence that is worthy of further investigation. He mentioned the fact that manufacturers give warnings, but that they are sometimes difficult to find. Does he think the manufacturers issue those warnings to cover themselves legally, just in case there is a problem, or perhaps because they have strong evidence? Does he agree that, either way, it is imperative that the Government take action now?

Mr Watson: An optimist would say that they are adopting the precautionary principle in regard to health. A pessimist might say that they are adopting such a principle because of possible legal cases. Either way, they are not doing enough to provide clear packaging.

The doubts about the long-term health impacts of mobile phones continue to be highlighted by the Department of Health's own guidance, to which I am sure the Minister will refer. Many parents are probably not even aware of the guidance, however. It states that children should

"use mobile phones for essential purposes only"

and

"keep calls short – talking for long periods should be discouraged."

This advice was influenced by the Stewart report.

We also had the National Radiological Protection Board's report, "Mobile phones and health", in 2004. That review updated Stewart, and its main conclusion was that there was no hard evidence at present that the health of the public had been adversely affected by the use of mobile phone technologies. The report does, however, state that some uncertainties remain and that a continued precautionary approach to the use of mobile phones is recommended until the situation is clarified. Following the publication of that report, Sir William Stewart himself said:

"The fact is that the widespread use of mobile phones is a relatively recent phenomenon and it is possible that adverse health effects could emerge after years of prolonged use. The evidence base necessary to allow us to make firm judgements has not yet been accumulated".

The report's findings make it clear once again that this is not a settled issue

Further research, such as the 2004 Karolinska Institute study, published worrying findings on a link between mobile phones and ear tumours. The institute's research suggested that using a mobile phone increased the risk of acoustic neuroma by 3.9 times on the side of the head on which the phone was used. There was no increase on the other side of the head, giving an overall rise in risk of 1.9 times. The report went on to conclude that regular mobile phone use over a decade or more might increase the risk of benign tumours. Like the Stewart report and the NRPB report, the Karolinska Institute's study makes it clear in its findings that this is not a settled issue. Further research is needed. Well-respected epidemiologists such as Dr Lennart Hardell of Orebro university in Sweden have also found that links between mobile phones and cancer might exist.

Bill Esterson: Since my constituents drew this matter to my attention, I have looked into the details, as my hon. Friend has done. I have reached the conclusion that it is important, as a parent, to take precautions and to restrict the use of mobile phones by children in anything other than an emergency. I urge the Government to take that point seriously, even at this stage, as well as taking on board all the other points that my hon. Friend has made about carrying out further investigations.

Mr Watson: Even with my own beloved children—my five-year-old and my two-and-a-half-year-old—I sometimes have to persuade them not to grab my mobile phone. The precautionary principle should apply, but it is very hard for parents. This is why public information is very important.

As I was saying, Dr Hardell, in his study "Long-term use of cellular phones and brain tumours: increased risk associated with use for 10 years", has reviewed epidemiological studies that found that phone users had an increased risk of malignant gliomas. In carrying out his review, he found a link—although not a causal link—between phone use and a higher rate of acoustic neuromas. He also found that tumours were more likely to occur on the side of the head that the handset was used. His study indicated that one hour of cell phone use per day significantly increased tumour risk after 10 years or more. He also makes the case that this is far from a settled issue.

In May, the hotly anticipated Interphone report for the World Health Organisation suggested that those who engage in heavy phone use could be at risk, but stopped short of establishing any firm links from the data. The Interphone study is the largest study to date into phone use and head and neck tumours.

Although there were suggestions of an increased risk of glioma at the highest exposure levels, the report went on to state that

"The possible effects of long-term heavy use of mobile phones require further investigation."

The research team was divided on its findings—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn. *(Mr Dunne.)*

Mr Watson: That is a quaint tradition in the House, Mr. Speaker. I had forgotten that I had to engage in it when I was a Whip.

The fact that the research team was divided on its findings did not prevent the UK-based GSM Association, which represents the global mobile phone industry, from deciding that the report supported a consensus that there was "no established health risk", while deriding what it considered to be errors in the report.

Despite what the mobile phone lobby continues to tell us, all those studies have one thing in common. The issue of whether mobile phone use increases the risk of brain cancers remains open. The link between phones and cancer may turn out to be like Creutzfeldt-Jakob disease, in the case of which our original fears did not come to fruition, or it may turn out to be like the link between tobacco and lung cancer. The truth is that we simply do not know. Further independent research over a longer period is needed. At this point I must issue a statistics health warning. Matt Parker has implored me to make it clear that we will never reach the point of saying, "Mobile phones do not cause cancer"; there will merely be more and more studies showing that there is no reason to believe that they do not.

I suspect that one academic who would challenge Matt's view that we should act only if the numbers tell us to do so is Dr Devra Davis, author of the brand-new book "Disconnect". If the Minister has not yet had a chance to read Davis's book, I urge him to do so. Former United States Assistant Health Secretary Philip Lee has described it as

> "A critically important book that is a must-read for parents and policy makers. A surprising, well-documented, and compelling call for action."

Dr Davis specialises in the way in which the environment affects our health. She has previously written books stating that the tobacco industry was not initially honest about the links between cigarettes and cancer, and that the debate in Britain about the dangers of asbestos lasted for a century. She insists that the mobile phone industry has behaved in the same way, working often with Government help to discredit independent scientists, while ensuring that others toe the line for fear of losing their funding. She says in her book:

> "Those studies that have been paid for by the industry tend to find that there's not a problem. Studies that are independent while there are fewer tend to show there is a problem. I don't think that's an accident. This has had a chilling effect on the ability of policy-makers to form policy."

Dr Davis's worry about just how independent some of those studies are is backed up by others, including such noted people as the well-respected Henry Lai, a research professor at the University of Washington. Lai began laboratory radiation studies in 1980, and found that rats exposed to radio frequency radiation had damaged brain DNA. He maintains a database of a further 400 scientific papers, from different academics, on possible biological effects of radiation from wireless communication.

Significantly, Lai has found that 67% of studies without industry funding show some biological effect of radiation from wireless communication, compared with only 28% of studies that receive some form of industry funding. "That's not trivial," he recently told *The New York Times*. Like Dr Davis, Lai has been pressing for the commissioning of more non-industry research, not only on brain cancer but on other possible biological and health effects. The voices of Davis and Lai should be heard in the debate in the UK. Davis in particular has highlighted the distortion of research during the last decade by a "show me the bodies" approach to the evidence. I believe that there may well be merit in their arguments. As they say, it may simply be too early to expect mobile phone users to develop brain tumours.

Davis also highlights in her latest book, "Disconnect", how when the Hiroshima bomb survivors were tested after 10 years, researchers found no evidence of brain cancer, yet some 30 years later an abundance of cases were found. While the mobile phone industry may point out that the official statistics show that the incidence of brain cancer has changed relatively little, the absence of any epidemic right now is not an argument for complacency.

At present, we are awaiting the outcome of the cohort study on mobile communications and health—COSMOS. It differs from previous attempts to examine links between mobile phone use and diseases such as cancer and neurological disorders in that it will follow users' behaviour in real time. Most other large-scale studies have focused on asking people already suffering with cancer or other diseases about their previous mobile use. They have also been conducted over a shorter time frame. While the COSMOS study will look at long-term use over 10, 20 and 30 years, I think we need to be reassured that it will be properly independent. At present, COSMOS is being funded by the Mobile Telecommunications and Health Research Programme, a UK body that receives hefty funding from the industry as well as Government.

In addressing some of the shortcomings, I have highlighted a lack of independent research. I believe the Government must pressurise mobile phone companies to set up an independent fund for research that has the full confidence of all interested parties. This fund should support academics and allow them to examine the risks without interference. Academics and researchers should not be fearful of having funding withdrawn based on what the outcome of their work might be.

Setting up a truly independent fund for research is the least these companies can do given their huge profits. Vodafone already stands accused of £6 billion in tax avoidance, just as the NHS and the rest of the public sector is facing massive budget cuts. The phone giant may have denied the claims, but it has now become a symbolic target for protests against the coalition's cuts. The UK Uncut campaign, organised through Twitter against Vodafone, continues to attract demonstrations at stores across the country. While no Members would support breaking the law, we can all understand why Vodafone's consumers feel very angry at its current tax arrangements.

The Government should not let themselves be pushed around by telecoms lobbyists. It is time the Government took back the 900 mHz the low frequency spectrum that they gave to Vodafone and O2 for nothing in the 1980s. When a similar section of spectrum was sold in Germany it raised £2.9 billion, roughly the equivalent

of the cuts made to higher education this year. We can get a lot of independent university research with that kind of money.

To conclude, I hope I have shown the Minister the following things. Labelling and packaging is inadequate and guidance is buried too deeply in the small print of packaging booklets. Also, the widely held view among manufacturers that mobiles are safe is not yet beyond doubt, as I hope I have shown with reference to the major studies; virtually every piece of major research is inconclusive or recommends further study. An independent fund would also give academics and researchers the confidence that future funding would not be withdrawn based on the outcome of their findings. The mobile industry should use its huge profits to make a sizeable contribution towards putting this into practice.

When I applied for this debate, I thought that the House's main business might finish early today. Notwithstanding the eagerness of the Whip to get home, that perhaps allows me to add one additional point as this debate is entitled on the Order Paper, "Effect of mobile phones on human health". This week, I talked to a man who nearly broke down in tears when he explained to me that his privacy had been violated by a rogue private investigator listening to his mobile phone messages for a News International newspaper. Phone hacking had affected his mental health.

Illegal hacking has caused great distress to those in the privileged position to know whether they were one of the potential 3,000 targets of the *News of the World* – for that is what one of the investigating officers in the Mulcaire/Goodman case admitted last week. Like me, the victims express amazement that nearly every tabloid newspaper in the United Kingdom failed to report that A-list Hollywood actor, Sienna Miller, was the victim of a phone hack. The distress caused to her by mobile phones speaks for itself. The victims were amazed not to read in every national newspaper that Take That front man Robbie Williams no longer uses a mobile phone because he was sick of being hacked. They are asking questions and they will find peace of mind only when they know that their mobile phone is secure and that everything has been done to investigate their case.

With more *News of the World* executives implicated in the scandal only last week, with the admission that News International is paying the legal fees of the Prime Minister's director of communications and with the Information Commissioner saying only last week that he will investigate the loss of potentially significant personal data, is it not time that the Government asked another police force – one other than the Met – to take up the case? The former Metropolitan police investigating officer now works for News International. Justice must not only be done, but be seen to be done. It is now absolutely clear for all to see that leads have not been followed up and that whistleblowers have been intimidated into retracting their public statements. The only way that these mobile phone victims will get peace of mind is for another police force to take over the inquiry and undertake a thorough review of the old and brand-new evidence.

10.11 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): I congratulate the hon. Member for West Bromwich East (Mr Watson) on securing this debate. I know that he takes a particular interest in this and all other matters of technology, both nationally and in his constituency. He is absolutely right to say that we must heed scientific fact, but his insight into reshuffles is perhaps lacking in a certain degree of fact – or perhaps he knows something that I do not, from sources unknown. However, I wish to thank him for his flattering comments.

At the last count there were a staggering 80 million mobile phones in the UK, and the number is still rising steadily. More than 12 million people own a smartphone in order to access the internet and other web-based technologies. The benefits of mobile phones are clear in terms of social networking and rapid communication, and they help people to feel safer and in touch. They are also a way of including people. I feel more comfortable knowing that my children have mobile phones and that I can contact them, as they can me, wherever they are. I am sure that my parliamentary office would say the same about contacting me, particularly during the recess.

The hon. Gentleman is right to say that mobile technology has also raised significant health worries. Many people are extremely concerned about the effect of electromagnetic radiation from phones, and we should understand and acknowledge those worries. We should answer them on the basis of the evidence and we should ensure that appropriate protections are in place, so that not only is everyone safe, but everyone feels safe – and the hon. Gentleman has demonstrated that that is not necessarily the case.

Bill Esterson: The planning Green Paper that the Conservatives published before the election stated that the party would

"review potential health issues related to mobile phone masts in the light of ongoing scientific research."

Can the Minister tell us how that review is going, and if a similar one is being carried out on handsets?

Anne Milton: I thank the hon. Gentleman for his intervention, but may I suggest that he may be jumping the gun a little? I have been speaking for only about two minutes, and I will come to all those issues if he gives me a bit more time.

The independent expert group on mobile phones and health was set up in 1999, partly as a response to public concern. It was tasked with reviewing the health effects of mobile phone technology. As a newly elected councillor, I was acutely aware of the considerable concerns among people in my ward at that time. As has been mentioned, the group was chaired by Sir William Stewart, the former chief scientific adviser to the Government. Its report was published in May 2000.

The report was based on a thorough review of scientific evidence on the health effects of mobile telephones and it took account of work in progress, alternative views on the science and public opinion, which at that time was considerably concerned about those effects. In 2004, the then National Radiological Protection Board reviewed the evidence again – the hon. Member for West Bromwich East mentioned this – and reiterated Stewart's recommendations, in particular the recommendation that a precautionary approach should be adopted. Current Government policy on mobile phones is based on the Stewart report and its recommendations. The headline conclusion in the Stewart report was that

[Anne Milton]

"the balance of evidence to date suggests that exposures to"

mobile phone "radiation below" national

"guidelines do not cause adverse health effects."

The report was referring to the National Radiological Protection Board national guidelines, which were in place at the time. It is none the less important to note that Stewart recommended that as a precautionary measure the guidelines should be replaced by more restrictive international guidelines.

In recognition of the incomplete scientific knowledge and significant public concern, Stewart made other precautionary recommendations. For example, he recommended that the widespread use of mobile phones by children for non-essential calls should be discouraged. As the hon. Gentleman said, however, warnings are difficult to find, and the small print is very small. I suspect that many people these days are unaware of that guidance. I shall return to the question of scientific evidence in a minute.

The Government accepted the advice of the Stewart report and followed a precautionary approach, and most of the recommendations were implemented in full. On Stewart's recommendation, we moved to stricter international guidelines for exposure. Along with other member states, the UK supports the European Council recommendation to limit exposures to electromagnetic fields, which incorporates international guidelines. By 2001, industry, Government Departments and their advisers were working to the new exposure guidelines for mobile phone technology, so now all mobile phones and base stations comply with the guidelines.

An important development following the Stewart report was the setting up of a new research programme in this country—the mobile telecommunications and health research programme, or MTHR. Research has been carried out at centres throughout the country under the management of an independent programme management committee. It is important to mention that it is independent. In 2007 MTHR published a report from 23 completed projects. Since then, further work has been published from the programme.

MTHR is a very high-quality research programme and none of the research so far has shown that radio frequency emissions from mobile phones affected people's health—at least in the short term, although that is obviously not the end of the story. The lack of long-term data, however, has been noticed by MTHR, the World Health Organisation and other regional and international advisory committees. It is also being addressed by an international cohort study on mobile phone use and health known as COSMOS, to which the hon. Member for West Bromwich East referred.

The UK forms a key part of the study, and our participation is funded under the MTHR programme. I understand that the COSMOS study aims to follow the health of approximately 250,000 European mobile phone users for up to 30 years. It is a very thorough process. COSMOS will consider any changes in the frequency of specific symptoms, such as headaches and sleep disorders, over time as well as the important risks of cancers, benign tumours and neurological and cerebrovascular diseases.

The Department also supports the World Health Organisation's international electromagnetic fields project, which encourages research focused on specific gaps in our knowledge. There is no doubt that there are considerable gaps in our knowledge at this stage. Apart from the accident risk from using mobile phones when driving, present knowledge indicates no proven risk to health from mobiles, except of course in the easy access that one has to home delivery pizzas and the possible impact on our daily calorific intake, which cannot be ignored.

Let me address for a moment mobile phone base stations, which are often called masts. When I first entered politics as a local councillor, that was one of the subjects that caused most concern. Masts provide the communication links by radio waves to handsets, allowing connection to the rest of the telephone system and the wider world. Mobile phones need this infrastructure to function, and it is this infrastructure that has caused so much concern in the past. On masts in particular, Stewart concluded that on the balance of evidence there is no general risk to the health of people living nearby, on the basis that exposures are expected to be very small. However, it is of note that in that connection, too, he recommended a precautionary approach. It was interesting to learn from the Stewart report that the levels of radio frequency exposure from masts, which people thought were likely to be high, were much lower than those from mobile phone handsets held near the head. Indeed, yearly independent audits have shown that mast exposures are well below the international guidelines—in many cases tens of thousands or more times below.

The MTHR also reaffirmed that exposures from base stations were very much lower than international guidelines. An MTHR study specifically looked to see whether short-term exposure to radio frequencies from masts could affect people's health. Although some people attribute their ill-health symptoms to mobile phone base stations—the hon. Gentleman raised this issue—the MTHR peer-reviewed study found no convincing evidence so far that their symptoms were caused by exposure to signals from mobile phones or masts. But, of course, we should not and shall not be complacent: we must continue to keep the science under review. The Health Protection Agency keeps us informed of the science in this area, and its independent advisory group on non-ionising radiation is currently reviewing worldwide scientific studies on radio frequency emissions as part of its regular review cycle, and will report in one to two years' time.

Mr Watson: I am grateful to the Minister for her very gracious answer to my rather long presentation. Does she think there are merits in opening up discussion with the industry on how they can improve their packaging advice and how we can improve public education, particularly for young mobile phone users?

Anne Milton: Yes, the hon. Gentleman's point is well made. As I have said, most people are unaware of the guidance available, and the small print is often extremely small.

I am aware of the ability of large and powerful vested interests to lobby, often very successfully. There are, without doubt, eye-wateringly large amounts of money at stake in the mobile communications industry. I assure

the hon. Gentleman that I am old enough and cynical enough to apply at all times an appropriate level of scrutiny and cynicism to all information that comes my way—always seeking to find out whence it came and who paid for it. He is right to say that no stone must be left unturned, but the problem is to establish causality. That is why, with ongoing and international studies, following a cohort is essential. We must base any Government action on robust scientific evidence. He is also right to say that it matters who funds research, and I assure him that I will not be pushed around, and I will keep my level of cynicism. However, I cannot comment on phone hacking; he must address those comments to another Minister on another occasion. Within my own portfolio, I will keep my eye on what is going on. As I say, I look forward to the report of the HPA's independent advisory committee in one or two years' time.

Let me conclude by saying that the Government take extremely seriously public concern over possible health risks from mobile phone technology, as they do all threats. There is a particular issue in that we are aware that health effects might not become apparent for 10, 20 or even 30 years. It is important to remain vigilant and to keep this matter at the top of our list of priorities. We will continue to respond to people's concerns and to support those high-quality scientific studies, both nationally and internationally, in an honest, open and transparent way, being clear at all times where the vested interests lie. I thank the hon. Gentleman for raising this issue, which is of concern to so many people.

Question put and agreed to.

10.25 pm

House adjourned.

House of Commons

Tuesday 21 December 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked

Manufacturing Sector (CSR)

1. **Mr William Bain** (Glasgow North East) (Lab): What estimate he has made of the potential effects on the level of demand and output in the manufacturing sector of the outcomes of the comprehensive spending review. [31813]

The Chancellor of the Exchequer (Mr George Osborne): I am happy to report today that annual growth in manufacturing output is the fastest in 16 years, and the Chartered Institute of Purchasing and Supply reported the strongest manufacturing employment balance on record last month. This is a crucial contribution to rebalancing the British economy away from its dependence on debt. The Budget and the spending review will help to sustain that by cutting tax rates for manufacturers, investing in transport infrastructure and skilled apprenticeships, and providing the economic stability that our deficit reduction plan has delivered in an unstable world.

Mr Bain: I thank the Chancellor for that reply, and I wish him and his fellow Ministers on the Treasury Bench, and all right hon. and hon. Members, including you, Mr Speaker, a happy and peaceful Christmas. Does the Chancellor agree that the best Christmas present he can give manufacturers in my constituency and throughout the country is a proper White Paper on growth? He has often promised to publish one. When exactly will he be bringing it before this Chamber for debate?

Mr Osborne: We have a specific review of advanced manufacturing to see what more we can do to help it, and I intend the Budget on 23 March to focus very much on supporting economic growth and removing the barriers to the expansion of manufacturing businesses and others. We are looking both at specific sectors, such as advanced manufacturing and pharmaceuticals, and at cross-government issues, such as planning and employment law, so that we provide not only the economic stability that we have delivered in recent months, but the platform for economic growth.

Mr Andrew Tyrie (Chichester) (Con): Further to that question and that reply, the Government's efforts so far in that regard consist of "The path to strong, sustainable and balanced growth". Frankly, it is an insubstantial document—well short of a strategy. The Chancellor has given us a firm lead on fiscal policy. Will he now commit to cutting through what appear to have been a large number of interdepartmental arguments about this, and give us a clear strategy for growth in his next Budget?

Mr Osborne: The first thing that I would say is that, of course, deficit reduction is an essential platform for economic growth. The fact that this Parliament, almost alone in Europe, is not having to discuss the sovereign debt crisis is in itself testament to the success that we have had. But we need now to turn around many Departments that have not really thought for years about this question: how do we stimulate private enterprise and private sector growth? We have inherited government machinery that is not equipped to deal with that. We are turning that around, and the Budget in March is the focus point that I expect all Departments to work towards.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): Responsibility for our manufacturing sector rests, of course, with the Secretary of State for Business, Innovation and Skills, who had some interesting things to say this morning about the "Maoist" nature of this Government. *[Interruption.]* Does the Great Leader—or rather, the Chancellor—recognise himself in the Business Secretary's description of "cack-handed" Tories? Strictly speaking, does the Chancellor believe that the reason we have waited so long for any sign of a strategy on jobs and growth is that he is out of step with his Cabinet colleague?

Mr Osborne: The Business Secretary is a powerful ally in the Government in promoting growth—and, frankly, he has forgotten more about economics than the shadow Chancellor ever knew. I refer the shadow Chancellor to the statement that he gave recently about his own party:

"On economic credibility, we are in a really worrying position."

Alan Johnson: We see this morning record borrowing for November, unemployment higher than expected and inflation well above where it should be. According to the Office for Budget Responsibility, we are about to destroy £5 billion of economy activity through the increase in VAT on 4 January. The Institute for Fiscal Studies says that absolute poverty—not relative poverty—will rise for children and working age adults, with 900,000 more slipping below the breadline over the next three years. If the Chancellor has not got a plan B yet, is he hoping to get one for Christmas?

Mr Osborne: I am glad that the shadow Chancellor reminds the House of the terrible economic inheritance that we are struggling with—and overcoming. He talks about the public borrowing figures today, and I am glad that he has brought them up, because they are a reminder of the fact that we have a record budget deficit. He is—if he wants to do Christmas analogies—the incredible no-man: every time we have put forward any proposal for deficit reduction, he has said no. He is running out of time to come forward with sensible credible contributions to the economic debate about how we get Britain growing again, because at the moment the Christmas lights are on but there's no one at home.

Michael Fallon (Sevenoaks) (Con): Does my right hon. Friend not agree that the record borrowing figures announced today simply serve to underline the seriousness of the situation to which the spending review was addressed, as well as the importance of sticking to the fiscal plan that has been agreed and not deviating from it in the slightest?

Mr Osborne: My hon. Friend is absolutely right. This country has a record budget deficit; that is the situation we have inherited. We have made some in-year reductions, which have made it slightly less worse this year than it otherwise would have been, and then we have measures next year to try to bring the budget deficit down. Every one of those measures has been opposed by Opposition Front Benchers. They have put forward not a single plan, not a single proposal, to reduce the budget deficit, but our proposals have provided this country with economic stability, in a very unstable European continent.

Mr David Winnick (Walsall North) (Lab): Following on from the remarks of my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), what does the Chancellor have to say about the Institute for Fiscal Studies report, which says that almost 1 million people will be below the breadline by 2014? That is an extra million people. Does the Chancellor not feel any shame about what will happen to so many of our constituents—certainly mine—as a result of the policies that he is pursuing? I would have thought that it was a matter over which the Business Secretary might wish to consider resigning.

Mr Osborne: As usual, the hon. Gentleman's question is totally over the top. I would make this observation: we have inherited this economic situation—a record budget deficit—and we are taking the action to deal with it. We are also promoting social mobility by funding a pupil premium and giving new nursery entitlements to disadvantaged two-year-olds. Child poverty rose in the last years of the Labour Government. They set a child poverty target and entrenched it in law, knowing full well that they did not have the policies to meet that target in any way. We are putting in place the policies that will deliver greater social mobility and deal with entrenched poverty in our country.

Graduate Tax

3. **Mike Weatherley** (Hove) (Con): What estimate he made of the effect on public finances of the introduction of a graduate tax. [31815]

6. **Mike Freer** (Finchley and Golders Green) (Con): What estimate he made of the effect on public finances of the introduction of a graduate tax. [31818]

14. **Mr Tobias Ellwood** (Bournemouth East) (Con): What estimate he made of the effect on public finances of the introduction of a graduate tax. [31827]

The Chancellor of the Exchequer (Mr George Osborne): A graduate tax would add billions of pounds to the budget deficit. That is just one reason why anyone in government, Labour, Conservative or Liberal Democrat, who has ever looked at the facts has concluded that a graduate tax is unworkable, unfair and unaffordable.

Mr Speaker: Before I call the hon. Member for Hove (Mike Weatherley), I remind him and the rest of the House that the supplementary question must be about the policy of the Government.

Mike Weatherley: A graduate tax would be less progressive and less fair than the proposals that the Government have brought forward. Does my right hon. Friend agree that if we scrapped our proposals and introduced a graduate tax, it would be a costly disaster for those entering higher education in the future?

Mr Osborne: I absolutely do agree with that. Interestingly, as I said in my opening reply, anyone who has ever looked at the issue in government, as we did over the summer and as the shadow Chancellor did when he was the Minister responsible for higher education, has concluded that it is unworkable. It destroys the independence of universities, and it is unfair, because some students would pay much more than the cost of their education, others would avoid it altogether by moving abroad, and millions of students on lower incomes than those specified by our proposals would be hit by a tax rise. It is also unaffordable, and as Lord Browne pointed out in the report that the previous Government commissioned, it would take until 2041 for the system to start paying for itself.

Mike Freer: Has the Chancellor, in developing our policy on a graduate tax, been able to bear in mind the policies of the Opposition?

Hon. Members: No!

Mr Speaker: Order. The Chancellor does not need to bear that in mind. He has explained his position very clearly, and we are grateful to him. I now call Tobias Ellwood, as his question is also in this group. He is not here. Oh, dear. I call Mr David Hanson.

Mr David Hanson (Delyn) (Lab): Will the Chancellor confirm that in adopting his policy on tuition fees he has raised the Government borrowing requirement to £10.7 billion by 2015—a rise of £5.6 billion—in addition to cutting at least £800 million from the university budget and tripling fees, which will deter poorer students? Will he now for once confirm to the House that his choice on tuition fees is about ideology, not deficit reduction?

Mr Osborne: What we are doing is taking the report commissioned by the Labour Government and improving on it so that it is more progressive. *[Interruption.]* Yes, we are increasing borrowing to help students; that is part of what we are doing to fund our higher education institutions.

The truth is this, and the shadow Chancellor said it this month: it would

"be very difficult to make a graduate tax a workable proposition."

That was the shadow Chancellor, who is now advocating as an official policy of the Labour party something that he says would be difficult to make a workable proposition. We have come forward with workable propositions on higher education, which the Opposition used to agree with when they were in government. They have now mistaken opportunism for opportunity.

Private Finance Initiative

4. **Rehman Chishti** (Gillingham and Rainham) (Con): What recent assessment he has made of the effectiveness of the private finance initiative. [31816]

5. **Dr Thérèse Coffey** (Suffolk Coastal) (Con): What recent assessment he has made of the effectiveness of the private finance initiative. [31817]

13. **Tony Baldry** (Banbury) (Con): What recent assessment he has made of the effectiveness of the private finance initiative. [31826]

15. **Joseph Johnson** (Orpington) (Con): What recent assessment he has made of the effectiveness of the private finance initiative. [31829]

The Chief Secretary to the Treasury (Danny Alexander): In the spending review the Government abolished the private finance initiative credit system, which provided Departments with a ring-fenced budget that could be used only to support local authority PFI projects. The change levelled the playing field between PFI and other forms of procurement.

Rehman Chishti: What does the Chief Secretary think of the comments made by the former Paymaster General, who said that PFI contracts were far too generous and too expensive?

Danny Alexander: That has a striking comment, coming from a Minister who was in the Department responsible for those things, and it reflects the general attitude towards public money that was prevalent under the previous Administration. There is a great deal of work that we can do as a Government to ensure that in future PFI is used only where it is absolutely necessary, and that we get best value for public money. That is how we should approach these things.

Dr Coffey: One of my constituents thinks that the PFI contracts that have been negotiated are one of the greatest scandals ever, if only because one of his relatives has made millions out of one. Apart from the potential £875 cost of a Christmas tree, which PFIs have caused the Minister the most angst?

Danny Alexander: I am not sure that it would be appropriate for me at this stage to pick out individual examples. The important thing to say is that, in common with the work that we are doing to ensure that we get better value from our suppliers across Government and that those suppliers are making a contribution to reducing the deficit, we are working on examining the future costs of PFI, so that where we can we reduce those costs. That is very important for ensuring that we reduce the deficit effectively and have the maximum amount of money left for front-line services.

Tony Baldry: A reduction of just 0.05% in contractors' fees could save some £500 million a year. What can we do to help the Chief Secretary and the Chancellor bring pressure to bear on equity holders and key industry PFI players to persuade them to cut voluntarily their annual charges for rentals and services?

Danny Alexander: I am grateful to the hon. Gentleman for his festive offer of assistance with these matters. I urge him and other colleagues on both sides of the House to draw the Government's attention to areas where they see PFI schemes being wasteful, or to examples that they would like to bring to our attention. I would be only too delighted to pick those up if he drew them to my attention.

Joseph Johnson: Has my right hon. Friend had a chance to read the Public Accounts Committee's recent report on PFI in the credit crunch? It suggested that many projects are locked into very high financing costs for periods of up to 30 years. I wonder what scope there is to claw back some of the gains in the event of any refinancing.

Danny Alexander: The Treasury will respond in the normal way to that report, and it would not be proper for me to comment on it until we have published the relevant Treasury minute. The Treasury and the Cabinet Office are working closely together to ensure that the PFI industry contributes its fair share of savings from operational projects.

Kelvin Hopkins (Luton North) (Lab): PFI was, of course, invented by the Tories; I may be in a small minority in having consistently opposed PFI and urged that we should have public investment instead. In making an assessment of PFI, will the Government make comparisons with superb public investment projects such as Luton sixth-form college, which has been rebuilt at far less cost than it would have been under PFI?

Danny Alexander: I am grateful for that comment. I hope that the hon. Gentleman will welcome the decision that we took in the spending review to end the PFI credit system. Departments now have to look at the best way of funding projects within their own budgets; effectively, the PFI credit system meant that they could top-slice local government funding for local authority projects. The change that we have made means that Departments will have to make a proper comparison between PFI costs and the sorts of costs that the hon. Gentleman has described. I am sure that the House will have heard what he has said.

Mr Jim Cunningham (Coventry South) (Lab): As my hon. Friend the Member for Luton North (Kelvin Hopkins) said, PFI was an invention of the previous Tory Government, who were having difficulties building new hospitals. Is it beyond the wit of the Chief Secretary, who knows that most of those PFIs were local negotiations and have break clauses in them, to use his imagination and look into the break clauses?

Danny Alexander: The hon. Gentleman makes an important point. As for the politics of the matter, it was, of course, the previous Government who oversaw a massive expansion of PFI. It does not come well from the hon. Gentleman and other Opposition Members to be criticising an approach that ballooned under the previous Government.

Bill Esterson (Sefton Central) (Lab): My constituent Jeanette May wrote to me recently about the cancellation of the PFI at Maghull prison in my constituency to say

that cutting the prison will affect the local economy, especially the immediate population. Does the Chief Secretary understand the impact that cuts such as the cancellation of Maghull prison will have, and how they will hit jobs and growth in communities across the country?

Danny Alexander: I am bound to say that that is yet another example of a saving that is necessary to tackle the terrible inheritance left by the previous Government, which Opposition Members now seem to be opposing. They also oppose every single cut, yet do not recognise that the consequence of such an approach would be to put this country back in the economic mess that they caused.

Bank Bonuses

7. **Phil Wilson** (Sedgefield) (Lab): What recent steps he has taken to reduce bonuses paid by banks to their staff. [31819]

The Financial Secretary to the Treasury (Mr Mark Hoban): The Government have taken decisive action to tackle unacceptable bank bonuses. The Financial Services Authority has revised its remuneration code and new rules will be in place by 1 January 2011. In addition, the Government have introduced a levy that incentivises less risky banking activities, and we will continue to investigate the cost and benefits of a financial activities tax. In combination, those and other measures will ensure that remuneration is consistent with effective risk management.

Phil Wilson: The Minister will be aware that the Business Secretary has said that a big argument is going on in Government about the banks. He says that he wants a very tough approach but

"our Conservative friends don't want to do that".

Is the Business Secretary right?

Mr Hoban: The Government are totally united about the fact that we want banks to play their full role in the economic recovery by lending to businesses and recognising their wider social responsibilities.

Jesse Norman (Hereford and South Herefordshire) (Con): May I remind the House that no hospital PFI contract was signed under the— *[Interruption.]*

Mr Speaker: Order. The hon. Gentleman is to resume his seat. He has come in on the wrong question I am afraid; we are talking about bank bonuses.

Richard Fuller (Bedford) (Con): While the Minister reviews the undoubtedly well-stuffed stockings of certain bankers to determine whether they have been naughty or nice, will he acknowledge the significant amount of tax that they pay, and the institutions that choose London as their domain? Will he recognise that, as far as their choice of domain is concerned, the airports of this country will not always be closed?

Mr Hoban: My hon. Friend makes an important point. At the time of the spending review the Chancellor made it very clear that we want banks to pay the maximum sustainable tax. That is why on 1 January we will introduce a bank levy, which the Opposition rejected when they were in government. That levy will raise £2.5 billion more than the net amount raised by their bonus tax.

Ms Angela Eagle (Wallasey) (Lab): Will the Minister now admit that the more noise the Government make about this issue, the less action they appear willing to take? Will he confirm today that amidst all the PR and bluster, the Chancellor has decided not to go ahead with Labour's requirement that all bankers' bonuses over £1 million be published? He may be willing to ignore the Business Secretary's nuclear option, but the millions of Britons who are paying the real price of his austerity measures will never forgive him if he lets his friends in the banks off scot-free.

Mr Hoban: I am not going to be lectured by the hon. Lady about attitudes towards banks. Labour is the party that gave Fred Goodwin his knighthood, so I will not take any lessons from Labour politicians. They talk tough, but they did nothing when they were in government. This Government are taking real concrete measures to tackle bankers' pay and to introduce the bank levy, which they refused to introduce. In Europe there will be a most stringent application of the Financial Stability Board principles on bankers' remuneration.

Sovereign Sukuk

8. **Roger Williams** (Brecon and Radnorshire) (LD): What recent discussions he has had on the introduction of a Government-backed sovereign sukuk. [31821]

The Financial Secretary to the Treasury (Mr Mark Hoban): As chairman of the all-party group on Islamic finance and diversity in financial markets, my hon. Friend is well known for his close interest in Islamic finance. The Government believe that sovereign sukuk issuance would not offer value for money at the present time, but the situation remains under review.

Roger Williams: I thank the Minister for that reply. A sovereign sukuk issued by the Government might lead to two benefits: first, providing funding for the Government's borrowing requirement, and secondly, giving readier access to liquidity for the growing number of Islamic banks that operate in this country. Will he agree to meet a small group from the all-party group on Islamic finance and diversity in financial markets to discuss this matter in more detail?

Mr Hoban: My hon. Friend makes an important point. We recognise the benefits that a sovereign sukuk could bring to improving liquidity in the sector, but significant costs would arise from sovereign sukuk issuance. However, I am sure that my noble Friend Lord Sassoon, who leads on this matter, will happily meet him and his colleagues.

Local Services (CSR)

9. **Barbara Keeley** (Worsley and Eccles South) (Lab): What assessment his Department has made of the effects of the outcome of the comprehensive spending review on the provision of local services in deprived areas. [31822]

The Exchequer Secretary to the Treasury (Mr David Gauke): It is for Departments to decide how best to prioritise resources within their departmental expenditure limits. The consequences in particular locations will become apparent only once these decisions have been made. However, the Secretary of State for Communities and Local Government announced the provisional local government finance settlement on Monday, and the balance of the settlement is more heavily weighted towards councils that are more dependent on central Government grants and have greater relative needs.

Barbara Keeley: Salford is ranked 15th in average scores for the 50 most deprived districts in England. The front-loaded grant cuts announced in the spending review mean that next year Salford council is faced with making budget cuts of 15%, or £40 million, which will have an impact on services such as social care for frail older or disabled people. How does the Minister square that reality with the Government's pledge in the spending review to limit the impact of spending reductions on the most vulnerable in our society?

Mr Gauke: Had we proceeded with the spending formula that existed under the previous Government, some of the deprived areas that are most dependent on central Government grant would have faced a greater cut than the one in the proposals announced by my right hon. Friend the Secretary of State for Communities and Local Government.

Charlie Elphicke (Dover) (Con): Does the Minister agree with me, and my constituents in Dover and Deal, that the council tax freeze is very welcome, and stands in sharp contrast to the massive rises that have hit the poor, elderly and vulnerable in recent years?

Mr Speaker: Order. The question is about the comprehensive spending review.

Mr Gauke: With reference to the comprehensive spending review, the council tax freeze and the other measures that we have announced demonstrate that we are making every effort to ensure that the difficult decisions that we have to make because of the deficit are reached in a way that is fair.

Chris Leslie (Nottingham East) (Lab/Co-op): But will the Minister now acknowledge that the spending review was in fact brutally regressive and hit the poorest hardest, especially when we see how the figures announced last week will affect individual councils and communities? For example, how can he justify the percentage changes announced last week to the local authority specific grants for learning disabilities, Sure Start and One to One tuition? The most deprived 10th of local authorities will see a drop—minus 12%—whereas the wealthiest decile will see an increase of more than 24%. How is that fair or progressive?

Mr Gauke: When we look at 2011 and onwards, we see that this is a Government who are bringing in the pupil premium and funding social care. Labour Members, when they were in government, were planning to make cuts in 2011-12. Where would they have made their cuts? We have done everything we can to protect the poorest in the very difficult circumstances left us by the Opposition.

Mary Macleod (Brentford and Isleworth) (Con): Does my hon. Friend agree that the pupil premium in the comprehensive spending review will have a transformative effect on helping the poorest in Brentford and Isleworth, and elsewhere?

Mr Gauke: Within the comprehensive spending review we have given priority to school funding. The pupil premium will help the poorest, which is indicative of the Government's values in looking to the long term, looking at fairness, and ensuring that young people have an opportunity that they did not necessarily get under the previous Government.

Budget Deficits (Ireland)

10. **Stephen Timms** (East Ham) (Lab): What recent discussions he has had with his Irish counterpart on measures to reduce budget deficits. [31823]

The Financial Secretary to the Treasury (Mr Mark Hoban): The Government welcome Ireland's effort to bring its fiscal deficit under control, and support the international assistance package currently being agreed to deliver stability.

Stephen Timms: The Chancellor used to speak of the Irish miracle as a shining example of economic policy making. Are there not, though, important lessons to learn from the misery that we are seeing in Ireland today? Is it not clear that simply increasing VAT, making large-scale public sector redundancies and cutting welfare does not add up to a successful path out of the global crisis?

Mr Hoban: Let me remind the right hon. Gentleman what he said about Ireland on 8 May 2007:

> "The Irish economy has enjoyed a good deal of success over the past few years. The corporation tax regime has contributed to that, but there have been a number of other factors". [*Official Report, Finance Public Bill Committee*, 8 May 2007; c. 19.]

The truth is that the Irish economy, like our economy under the previous Government, had a banking sector that was poorly regulated and out of control. It is because we have tackled the legacy of the Labour Government that we are in a position to help Ireland.

Mr Edward Leigh (Gainsborough) (Con): Given the misery that economies on the periphery of Europe, such as Ireland, are suffering from the imposition of a single currency throughout Europe, will my hon. Friend advise his European partners that any future plan should be motivated by what the markets demand, and not what grandiose politicians want?

Mr Hoban: My hon. Friend makes an important point. He may have read the shadow Chancellor's remarkable statement last week, that the euro had had no impact on the problems in Ireland. It is important that the right mechanisms are in place to tackle the problems in the eurozone, and that those solutions are owned by the eurozone. That is why the permanent mechanism that will replace the financial stability facility will be a eurozone-only body.

Equalities (CSR)

11. **Fiona Mactaggart** (Slough) (Lab): What recent representations he has received on the overview of the impact of the spending review 2010 on equalities; and if he will make a statement. [31824]

The Chief Secretary to the Treasury (Danny Alexander): Throughout the spending review process, the Treasury looked closely at the impact that decisions might have on different groups. We published "Overview of the impact of Spending Review 2010 on equalities" on 20 October, alongside the spending review document. Departments will consider the impact on equalities of decisions that are made as a result of the spending review, in the light of their legal obligations. On the day of the spending review, the decision to publish that document was welcomed by, among others, the Equality and Human Rights Commission.

Fiona Mactaggart: The Chief Secretary will recall that the document said that it

"would not…be meaningful to assess the impact"

on gender of the reductions in employment "at this stage". Given that women's unemployment exceeds 1 million and is at its highest level since 1988, when will the Government apologise to women for making them bear the brunt of their economic policies?

Danny Alexander: I do not accept that analysis. For the sake of completeness, the hon. Lady should recognise that the Government are cleaning up a mess left by the previous Government. If she is interested in the impact on women, she should consider the pay freeze that we have imposed in the public sector, which will protect jobs, and women's jobs in particular. It is also of benefit to women that we are allowing pay rises for people earning less than £21,000, a disproportionate number of whom are female. For the sake of completeness, she should consider those facts.

Miss Anne McIntosh (Thirsk and Malton) (Con): Will the Chief Secretary join me in explaining to the hon. Member for Slough (Fiona Mactaggart) that the Government's policies will reduce inequalities between men and women, particularly given our more flexible approach for part-time workers? Will he reduce other inequalities, such as in spending in rural and urban areas, and ensure that the balance is restored in favour of rural constituencies, such as his and mine?

Danny Alexander: The hon. Lady has made some important points. Throughout this process we will have regard to the impact that spending decisions have on different groups, including people who live in rural areas, and in particular the most disadvantaged. Our investment in early years education and the pupil premium are important to ensure that the most disadvantaged have the better life chances that we all want them to have.

Kerry McCarthy (Bristol East) (Lab): Does the Chief Secretary accept the independent analysis that the poorest 10% of people will suffer 15 times more than the richest as a result of the Government's spending decisions? With women and children being hit the hardest, support for people with disabilities being cut, and the Business Secretary suggesting that the winter fuel allowance is being lined up for the axe, no wonder there is growing public anger about big corporations and wealthy individuals seeming to be able to get away without paying tax altogether. What will he do to restore a sense of fairness and justice to the economic system?

Danny Alexander: I think that the hon. Lady was trying to get every subject into one question before Christmas. I do not accept the analysis that she offers. She should study more carefully the analysis in the spending review, which took into account the impact of taxation, spending reductions and welfare changes. It showed that as a share of people's income, and taking account of benefits in kind from the state, people in the wealthiest quintile make a greater contribution to deficit reduction than the poorest. That is in keeping with the Government's stated ambition of carrying through the unavoidable deficit reduction plan, which is necessary because of the mess that the previous Government left, in a way that is fair and supports economic growth.

Dyson Report

12. **Mr Dominic Raab** (Esher and Walton) (Con): What plans he has to implement the recommendations of the Dyson report on new technology. [31825]

The Exchequer Secretary to the Treasury (Mr David Gauke): The coalition's programme for government made a commitment to consider implementation of the Dyson review. The Government's growth review will be one of the main mechanisms for taking forward the Dyson review's aim of making the UK the leading high-tech exporter in Europe. The Treasury is currently consulting on the support that research and development tax credits provide for innovation, as part of wider corporate tax reforms.

Mr Raab: I welcome that response. The Dyson report recommended tax credits for high-tech start-ups, including businesses such as Chelsea Technologies and TR Control Solutions in my constituency, which create new jobs by pioneering green technology. Can the Minister be encouraged to go one step further and introduce tax breaks to stimulate that niche area of the UK economy, which is good for jobs, revenue and the environment?

Mr Gauke: I take on board my hon. Friend's comment, and we are determined to ensure that we do everything we can to help jobs and revenue. That is why we have been able to reduce the corporation tax rate from 28 to 24% over four years, and we are putting in place a stable and predictable tax system. I note his comments, and as I said, there is a review of the matter.

Andrew Miller (Ellesmere Port and Neston) (Lab): The Dyson report followed the work done by Hermann Hauser, and one of their recommendations is the creation of technology innovation centres, for which the Government correctly set aside some money in the comprehensive spending review. However, all the commentators who have passed judgment on the matter have said that the £200 million allocated, although welcome, will not go terribly far. What assessment has the Minister made of the long-term need to keep that funding stream alive, and is there a long-term plan to increase it substantially?

Mr Gauke: We continue to look at technology and innovation centres, and we need to do so in the context of what we already have in the UK, such as our science capabilities and industries. We need to take advantage of the commercial opportunities that they provide. I note my hon. Friend's comments, and we continue to consider the matter.

Budget Deficit (CSR)

16. **Chris Skidmore** (Kingswood) (Con): What assessment he has made of the Office for Budget Responsibility's report on the likely effect of the outcome of the comprehensive spending review on the budget deficit. [31830]

The Chief Secretary to the Treasury (Danny Alexander): The spending review set out more than £80 billion of spending reductions by 2014-15, and in its latest forecast, published on 29 November, the independent Office for Budget Responsibility judged that the Government's overall plan had a greater than 50% chance of balancing the structural current deficit in 2014-15, a year ahead of our mandate. Of course, I welcome that judgment.

Chris Skidmore: This year, the country faces a deficit of about £148.5 billion. Action taken by this Government will, according to the OBR, reduce that to £18 billion by 2015-16, yet there are those who reject that action and would prefer to do next to nothing. Does the Chief Secretary agree that to do nothing would cripple future generations with unbearable amounts of debt for which they were not responsible?

Danny Alexander: I agree completely, and it is worth adding that if the Government did not have a plan to reduce the deficit, as the previous Government did not, and we lost control of our public finances, the poorest in society would suffer most from that failure to take decisive action.

Derek Twigg (Halton) (Lab): We read this morning that the Business Secretary has said that the Conservatives wanted to cut the winter fuel allowance in the comprehensive spending review. Will the Chief Secretary put it on the record today that there will be no cut to the winter fuel allowance and no change in the eligibility criteria during this Parliament?

Danny Alexander: We are sticking to the winter fuel allowance. We announced that in the spending review, and we have not changed our position. In addition, we have made permanent the £25 a week level of the cold weather payment. The previous Government had planned to return it to £8.50 a week. Imagine what that would be doing now to the millions of families who are suffering in the cold.

Matthew Hancock (West Suffolk) (Con): What assessment has the Chief Secretary made of the impact of the CSR on business confidence, and especially the ability to take on new people? For instance, the Dalton's peanut factory in my constituency is taking on more people because of the confidence in the stability plans set out by the Government.

Danny Alexander: I am glad to hear about the companies in my hon. Friend's constituency, which share the confidence of many businesses that we have a Government who have got to grips with the public finances. That gives companies the confidence to invest, which is an important part of ensuring the private sector-led recovery that we need.

Financial Services Sector (Remuneration)

17. **Gregg McClymont** (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): What plans his Department has to ensure greater transparency in remuneration in the financial services sector. [31831]

The Financial Secretary to the Treasury (Mr Mark Hoban): The Financial Services Authority has revised its remuneration code for disclosure rules to incorporate provisions in the EU capital requirements directive, CRD3, which comes into force on 1 January 2011. The directive requires firms to make narrative and quantitative disclosures on pay policy and practices. Those requirements are at the forefront of global practice and will help ensure greater transparency in remuneration in the financial services sector.

Gregg McClymont: In reply to my hon. Friend the Member for Sedgefield (Phil Wilson), the Financial Secretary suggested that the Government were united in their approach to banking reform. Am I to conclude from that that the Business Secretary speaks for the Government when he says that the Conservative party is a roadblock to banking reform?

Mr Hoban: I hardly think that a Government who have embarked on a programme of radical regulatory reform of the financial services sector, introduced the bank levy, and set up the independent banking commission to consider the structure of banking in the UK could be viewed by anybody other than the Labour party as a roadblock to reform.

Graduate Tax

18. **Henry Smith** (Crawley) (Con): What estimate he made of the effect on public finances of the introduction of a graduate tax. [31832]

The Chief Secretary to the Treasury (Danny Alexander): I agree with the assessment of the graduate tax that the Chancellor gave in answer to earlier questions. I add that, under a graduate tax, those on the lowest incomes after leaving university would pay more than they do under our proposals. From a progressive point of view, there is an important argument against a graduate tax.

Henry Smith: I am grateful to my right hon. Friend for that answer. Does he agree that a graduate tax is neither fair nor progressive and that it would do nothing to help the 17% of my constituents who go on to higher education?

Danny Alexander: I agree. Our proposals, which the House has agreed, ensure that no one will make a payment up front when they go to university, or start repaying until they earn more than £21,000 after leaving university. I note that some hon. Members now advocate

a graduate tax. They have said that they will produce their detailed plans by the end of the year, and we greatly look forward to seeing them.

Economic Growth

19. **Hugh Bayley** (York Central) (Lab): What steps his Department is taking to stimulate economic growth. [31834]

The Chief Secretary to the Treasury (Danny Alexander): As the Chancellor said earlier, the Government have launched a growth review—a fundamental assessment of how each part of government can contribute to private sector success by addressing the barriers to growth that industry faces. That will report at the time of the Budget.

Hugh Bayley: When a private business wants to grow, it invests, yet the Government are slashing not just current expenditure but investment. What are they planning to do to increase private sector investment? In particular, what are they doing to get banks to lend to small and medium-sized businesses?

Danny Alexander: The hon. Gentleman may not be aware of the previous Government's plans for capital investment, but the plans that we set out in the spending review put slightly more into capital investment than the previous Government planned. In particular, we are expending more on capital investment in transport infrastructure—the sort of investment that is most valuable to many businesses—in the next four years than was spent in the past four years. He should give the Government some serious credit for that.

George Freeman (Mid Norfolk) (Con): As all the indicators are beginning to show that the Government's deficit programme encourages private sector investment and growth, would my right hon. Friend like to comment on the rumours in this morning's financial pages following the recent summit with the President of the United States that the Americans are beginning to view us a model of how to promote growth by tackling deficits?

Danny Alexander: I am happy to restrict my comments to this country's plans rather than remarking on those of other countries. However, our approach to reducing the deficit has been firm and clear. It has established confidence and is putting in place a firm platform—a precondition—for economic growth in future. It is therefore vital to stick to and deliver the plans that we set out in the spending review.

G20 (Government Deficits)

20. **Stuart Andrew** (Pudsey) (Con): What discussions he has had with his international counterparts since the G20 Seoul summit on co-ordination of efforts to reduce Government deficits. [31835]

The Financial Secretary to the Treasury (Mr Mark Hoban): At the G20 summit in Seoul in November, advanced countries committed to developing plans, which reflected their situations, to tackle their deficits and promote growth. The Chancellor has been actively involved in discussions with international and European counterparts since the Seoul summit. As was the case with previous Administrations, it is not the Government's practice to provide details of all such discussions.

Stuart Andrew: Has my hon. Friend discussed with his counterparts the fact that the key to securing low interests rates for the long term is to take effective and decisive action on Government deficits?

Mr Hoban: My hon. Friend is absolutely right. We are very fortunate in this country. Because the Government took difficult decisions to tackle the deficit when we came into office, we are in a much stronger place now—consider the turbulence in the eurozone. The difficult decisions that we took ensured that we stepped back from the brink of bankruptcy.

Alison McGovern (Wirral South) (Lab): Global action on regulating the financial services sector through groups such as the G20 is vital. The House of Lords Economic Affairs Committee recommended a pre-funded deposit insurance scheme. It said:

"The Government should move towards pre-funding of the Financial Services Compensation Scheme as soon as"

possible. Why has the Treasury turned its back on that important measure?

Mr Hoban: If the hon. Lady speaks to building societies, which are finding it difficult to lend at the moment, she will hear their concern about the amount that they pay towards the financial services compensation scheme. Contributing to a pre-funded scheme would add to that burden and reduce the ability of banks and building societies to lend to support the recovery.

Mr Peter Bone (Wellingborough) (Con): Government Members, including me, believe that the Chancellor and his team are doing an exceptionally good job for the country. May I suggest another policy to reduce the deficit in this country? A freeze on our contributions to the EU would save us £22 billion over the next five years, which should be given back in tax cuts.

Mr Hoban: My right hon. Friend the Prime Minister is working with his international partners to freeze the EU's budget over the next financial perspective.

Child Benefit

22. **Kate Green** (Stretford and Urmston) (Lab): What his estimate is of the number of single-income families which will be affected by the decision to end child benefit for households with a higher-rate taxpayer. [31837]

The Exchequer Secretary to the Treasury (Mr David Gauke): The withdrawal of child benefit from families containing a higher-rate taxpayer in 2013 will affect around 200,000 single-income households.

Kate Green: The Minister will be aware that receipt of child benefit by full-time mothers with no other income triggers national insurance caring credits, which count towards those women's pensions. Will he explain how the full-time mothers who will lose child benefit under the Government's proposals can retain their link to the national insurance system and their pension contributions?

Mr Gauke: I can assure the hon. Lady that we will ensure that the link with national insurance contributions will be maintained, and that mothers in those circumstances will not lose out. We will announce details in due course.

Topical Questions

T1. [31838] **Chris Williamson** (Derby North) (Lab): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr George Osborne): The core purpose of the Treasury is to ensure the stability of the economy, promote growth and employment, reform banking and ensure that Britain lives within her means.

Chris Williamson (Derby North) (Lab): Is the Chancellor embarrassed that independent analysis by the House of Commons Library shows that the provisional local government settlement will result in the most deprived areas bearing far bigger cuts than more affluent parts of the country? The two councils in his constituency of Tatton will see their spending reduced by less than 2 and 3%, compared with more than 8% cuts in deprived constituencies. Will he therefore stop saying that his austerity measures are fair, and admit that we are not all in it together after all?

Mr Osborne: The Prime Minister explained from this Dispatch Box that the cuts in his constituency are considerably greater than the cuts in the Leader of the Opposition's constituency. Our reforms give local government greater control over budgets, but let me make another observation. Local government is responsible for a quarter of all Government spending. Labour proposed £44 billion of expenditure cuts. If Opposition Members are saying that they would not include local government in those proposals, they are less credible than I thought they were.

T2. [31839] **Damian Hinds** (East Hampshire) (Con): The anticipated provident societies and credit unions legislative reform order will bring great advantages to credit unions, including the ability to pay fixed interest on savings and to offer services to community groups, social enterprises and companies, but it has been rather a long time in coming. Will my hon. Friend update the House on the expected arrival date of that LRO?

The Financial Secretary to the Treasury (Mr Mark Hoban): My hon. Friend takes a close interest in that matter as chairman of the all-party group on credit unions, a position he took over from the hon. Member for Bristol East (Kerry McCarthy). He is right that that LRO will bring significant benefits to credit unions. Following comments by the relevant parliamentary Committees that scrutinised the draft laid by the previous Government, amendments need to be made, and I hope to lay the amended regulations in late January or early February.

T4. [31841] **Chris Bryant** (Rhondda) (Lab): The Chancellor of the Exchequer seems to take a particular delight in playing the role of Baron Hardup. May I say to him, in the nicest, most Christmassy way possible, that all his austerity talk provokes real anxiety in many of my constituents, who worry about their winter fuel allowance, the VAT increases in January and the major losses in construction jobs in the new year? May I encourage him to play, just sometimes, Prince Charming instead?

Mr Osborne: At least I am not the pantomime dame. The measures we are taking are dealing with the economic inheritance that the previous Government, of whom the hon. Gentleman was a Minister, left this country. As we go into the new year, we are one of the few European economies not facing concerns about their sovereign debt issues, and we are providing a platform for economic growth next year. That is why people are looking at the UK and saying, "There is a country that is dealing with the problems."

T3. [31840] **Andrew George** (St Ives) (LD): Treasury Ministers rightly assert that the vulnerable should be protected and that those with broader shoulders should bear the greatest burden. With that in mind, will Ministers report on the effectiveness of the initiative announced in September to bear down on the estimated £42 billion of tax that the wealthy do not pay each year?

The Exchequer Secretary to the Treasury (Mr David Gauke): My hon. Friend is right to highlight this issue. We announced that £900 million would be spent over the spending review period on reducing the tax gap, and that will begin in 2011. Earlier this month, we announced plans to tackle tax avoidance with several detailed proposals on issues that had been left for many years. We have taken a firm line on those and we hope that that will raise considerable revenue from people who should be paying more in tax.

T5. [31842] **John Cryer** (Leyton and Wanstead) (Lab): Will the Chancellor tell the House whether the Treasury has made any plans for the possible collapse of the euro?

Mr Osborne: We monitor the European situation closely. I do not think that a collapse of the euro is remotely on the cards, but obviously stability in the eurozone is in our interests. We want to see a comprehensive solution early in the new year to some of the fundamental issues on having a currency union while not having a fiscal or political union, and we know that eurozone member states are working on those. It is also up to individual member states to do what they can to put their own economic house in order, and we would urge them to do that as well.

T8. [31845] **Mr Robin Walker** (Worcester) (Con): Does the Chancellor agree with the chief executive of a FTSE 250 engineering company, with whom I recently met, that the single most important decision by the coalition Government to date was to cut corporation taxes and thereby signal that Britain is open to business? What further plans does he have to reduce and simplify the burden of taxation on our businesses?

Mr Osborne: The reduction in corporation tax from 28% to 24% keeps the UK as an incredibly competitive place to do business and, over the next few years, will

help to ensure that Britain gets its fair share of the growing global economic cake. The Office of Tax Simplification, which we have created, is specifically looking at the burden of tax on smaller businesses so that we can also bring benefits to them, although we have been able to avoid Labour's increase in the small companies tax rate.

T6. [31843] **Mr Andrew Love** (Edmonton) (Lab/Co-op): The recent Institute for Fiscal Studies report referred to by my hon. Friend the Member for Walsall North (Mr Winnick) shows clearly that both relative and absolute poverty will increase in every year up to 2014. Is not that the final nail in the coffin of the Government's claim to be both progressive and fair in their policies?

Mr Osborne: The hon. Gentleman seems to forget that child poverty was rising under the last Labour Government and we have put forward policies to increase social mobility and tackle the causes as well as the symptoms of poverty.

T9. [31846] **Jeremy Lefroy** (Stafford) (Con): As the Chancellor knows, I have written to the Treasury with details provided to me by a Staffordshire resident of an extraordinary tax avoidance scheme inherited from the last Government. I hope that it will not last long. In the spirit of Christmas, will the Chancellor invite his predecessors around for a dram so that they can explain why they found tax avoidance such a hard nut to crack?

Mr Gauke: As we have heard, Her Majesty's Revenue and Customs' assessment of the tax gap was £42 billion, but we are taking measures to address that. It is right that we do so, and we showed our determination this month when we announced a series of measures to reduce tax avoidance.

Mr Chuka Umunna (Streatham) (Lab): I would like to get some clarity on the taxation of the banking sector. The Business Secretary made it clear over the weekend that if the financial services sector did not exercise restraint in bonus payouts during the current round of bonuses, which goes on until April next year, the Government would consider imposing further taxes above and beyond existing taxation arrangements and the banking levy. Will the Chancellor, who adopted quite a different tone in New York, please confirm whether the Government are considering imposing extra taxation, over and above the existing arrangements and the banking levy, on the banks if they do not exercise restraint?

Mr Osborne: We said in the Budget that we were looking at the case for a financial activities tax, which is one of the two taxes that the International Monetary Fund *[Interruption.]* The hon. Member for Wallasey (Ms Eagle) says it has nothing to do with bonuses. I suggest that she goes and considers what a financial activities tax is. The IMF has set out some of the principles behind it, but we have followed the principles behind the other IMF proposal, which is the bank levy. In the past couple of weeks, we have demonstrated that we are prepared to increase the rate of the bank levy to sustain the revenue.

Jo Swinson (East Dunbartonshire) (LD): While travelling on a gap year in New Zealand, one of my constituents had a nightmare experience when she was left with no access to money after her bank cancelled her card, despite her having informed it that she would be abroad. In an increasingly globalised world, will the Government consider whether banks can be made to offer a better service for UK customers living, working or studying abroad to avoid problems such as that faced by my constituent?

Mr Hoban: The hon. Lady makes an important point, and I am sorry to hear about the situation that her constituent experienced. It is important that banks ensure a good service for those travelling abroad, and I would encourage her to suggest to her constituent that she writes to the Financial Ombudsman Service to raise a complaint. However, I am sure that the banks will have heard what she said and take heed of her comments.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): What specific equality impact assessment did the Treasury carry out on the potential effects on women of the two-thirds reduction in Warm Front scheme funding next year announced in the comprehensive spending review?

The Chief Secretary to the Treasury (Danny Alexander): As I said in answer to questions earlier, we carried out an impact assessment, which we published, of the spending review. Individual impact assessments were also carried out. The matter to which the hon. Lady refers was decided by the Department of Energy and Climate Change, and it is the responsibility of that Department to carry out a specific impact assessment. The Treasury undertook its responsibilities fully in relation to the spending review as a whole.

Mr John Baron (Basildon and Billericay) (Con): What progress is the Chancellor making on the Government's review of the complex rules surrounding foreign earnings inherited from the Labour party, given that those rules are encouraging a number of companies to leave these shores? Those companies include WPP, Wolseley and United Business Media. That means a loss of revenue to the UK Exchequer.

Mr Osborne: That was another of the problems in the in-tray. We have announced reforms to the controlled foreign companies regime, on which we published a consultation paper a couple of weeks ago, and I expect to return to the matter in the Budget.

Jack Dromey (Birmingham, Erdington) (Lab): The Chancellor has said that he will be tough but fair in his cuts to Britain's public services. Is it fair that West Midlands police service, serving an area of high need, will be hit twice as hard as Surrey, and as a consequence lose 1,200 police officers, 270 of whom will be compulsorily retired by next April?

Mr Osborne: The police settlement is fair. Here is yet another example of the Labour party's position. In the past hour, we have heard Opposition Members oppose all the welfare reforms, the local government reductions, and the reductions in the Ministry of Justice and Home Office budgets. Their position is completely non-credible.

Sajid Javid (Bromsgrove) (Con): The Prime Minister of Luxembourg recently proposed that the EU should start issuing common EU bonds, jointly and severally guaranteed by all member states. Although the eurozone countries can do what they want on bond issuance, will the Chancellor reassure the House that Britain will play no role in an EU common bond?

Mr Osborne: I can indeed give my hon. Friend that assurance. This is an issue that the eurozone is publicly considering, as well as other potential routes forward for the eurozone. My efforts are concentrated on getting our gilt auctions away, and I can reassure him that, thanks to the measures we have taken, that is going well at the moment.

Mr Tom Watson (West Bromwich East) (Lab): I see on my copy of the Liberal Democrat "Whip" for this week that all Lib Dem Ministers have been instructed to visit Oldham East and Saddleworth three times before 13 January. Will the Chief Secretary to the Treasury tell me on what days he intends to visit, and will he take the Business Secretary with him, so that they can outline their "Maoist revolution"?

Mr Speaker: Order. I assume that the hon. Gentleman is requesting a visit in which the Minister will talk about the policies of the Government.

Danny Alexander: I am certainly not going to let the hon. Gentleman know of my intentions in advance, but it is characteristic of the attitude on his side of the House that Opposition Members do not have a single question to ask that offers a proposal for dealing with the economic problems that they caused. It is economic common sense on the Government side of the House; just nonsense on the Opposition side.

Duncan Hames (Chippenham) (LD): Many jobs today require a university degree, yet compared with the position on funding employees' vocational training, there is no equivalent tax shield for employer contributions to higher education. Will the Chancellor explore changes to tax rules to encourage voluntary contributions from employers towards their graduate recruits' higher education?

Mr Osborne: My hon. Friend raises a good point. That is something on which we are seeking official advice, and I will keep him informed of any progress that we make on it.

Mr Dennis Skinner (Bolsover) (Lab): Now that the Chancellor has adopted a more belligerent tone in the last few minutes, will he open up and tell us what he really thinks about the WikiLeaks cable?

Mr Osborne *rose*—

Mr Speaker: With relevance to Treasury matters, Chancellor—that is, if the right hon. Gentleman wishes to respond. He is not under an obligation.

Mr Osborne: I am not sure that there is anything that I can say to the hon. Gentleman, except that I wish him a happy Christmas and I hope that he approaches retirement soon.

Several hon. Members *rose*—

Mr Speaker: Order. I am afraid that, as usual, demand has exceeded supply, and there are points of order sprouting up all over the place.

Points of Order

12.32 pm

Diana Johnson (Kingston upon Hull North) (Lab): On a point of order, Mr Speaker. Is it in order that the promise made by the Under-Secretary of State for Health to publish a review on contaminated blood products before the end of the year has not been fulfilled? My constituent Mr Glen Wilkinson has contacted me in the last hour. He is extremely angry that a group who have suffered so much have been let down again. May I ask you, Mr Speaker, whether you would look into this matter?

Mr Speaker: Nothing disorderly has occurred. The hon. Lady is dissatisfied, but that is a different matter. She has registered that dissatisfaction, which will have been heard.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): On a point of order, Mr Speaker. In respect of David Quarmby's report "The Resilience of England's Transport Systems in Winter", during Transport topical questions on 2 December the Secretary of State for Transport told the House:

"The findings and recommendations of the review have been implemented, and I have asked David Quarmby to come back and audit their implementation". [*Official Report*, 2 December 2010; Vol. 519, c. 955.]

Yesterday, during his statement on severe winter weather, the Transport Secretary told the House:

"Many of those recommendations have already been implemented, although some will necessarily take longer." [*Official Report*, 20 December 2010; Vol. 520, c. 1216.]

Those statements cannot both be accurate. Have you received any request from the Secretary of State to correct the record, given that Ministers have an absolute obligation to tell the truth to the House? If not, would now be a timely moment for you once again to reinforce the point to Ministers that they must correct the record when they get things wrong, even if they do so inadvertently?

Mr Speaker: I have received no such request from a Minister to make a statement. What has just been said about the importance of accurate statements to the House is true. If there is any inaccuracy, it should be corrected. I hope that the hon. Gentleman will understand that I am unsighted on the matter and not in a position to act as adjudicator. The point has been made; the point has been heard.

Dr Julian Lewis (New Forest East) (Con): On a point of order, Mr Speaker. Those of us who have been worried about the future of the nuclear deterrent in the light of some Government decisions will have been heartened by today's report in *The Daily Telegraph* that at least one Cabinet Minister has access to nuclear weapons. Have you received any notice, from any member of the Government, of a statement to be made in this House about this welcome augmentation of British military capability?

Mr Speaker: No, I have received no such indication. I shall take this as a pre-Christmas point of order of the New Forest East genre, and we will leave it at that for today.

With reference to a point that has already been made, let me just say—I am grateful to the Leader of the House for this—that I should perhaps have reminded the House that a written ministerial statement is being made today on the subject of contaminated blood. I simply put that on the record.

Mr Tom Watson (West Bromwich East) (Lab): On a point of order, Mr Speaker. That same Cabinet Minister has also said that the Prime Minister is seeking to abolish the winter fuel allowance. Have you had a request for an emergency debate so that the position can be clarified, in order to prevent millions of pensioners from living in fear this winter?

Mr Speaker: No.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): On a point of order, Mr Speaker. On 2 December, I asked the Secretary of State for Transport about winter tyres. In his response, he told me:

"We have looked at the issue, and in fact David Quarmby addressed it." [*Official Report*, 2 December 2010; Vol. 519, c. 973.]

He went on to say that the use of winter tyres here was "not appropriate". When I raised the issue with him yesterday, however, I told him that I could find no reference to winter tyres in the Quarmby report and that his response had been inaccurate, in that the Highways Agency actually recommends them. He replied:

"I am grateful to the hon. Lady for giving me the opportunity to clear something up—I clearly mangled my words in my reply to her." [*Official Report*, 20 December 2010; Vol. 520, c. 1226.]

Is it appropriate to use the phrase "mangled my words" to describe something that was clearly misleading the House, when he should have put the record right? The facts were wrong.

Mr Speaker: I am not sure that there is a misleading of the House involved, but the point has been made and the Leader of the House is on the Treasury Bench; he will have heard what has been said. If any message needs to be conveyed to the relevant right hon. Member, I feel confident that, as a result of the hon. Lady's efforts, it will be.

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. On 2 November, in replying to an urgent question on the right of prisoners to vote, the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) said that no decision had yet been made. He went on to say that once a decision had been made, it would be announced in the usual manner and, in his words, "at the Dispatch Box". In fact, it was announced last Friday, not even by a leak but by a press release. Before it had been announced to Parliament, a written ministerial statement was issued yesterday, but the announcement was not made at the Dispatch Box. Is there any means of making a Minister honour a commitment that he has made to the House?

Mr Speaker: There is no means by which to compel or oblige a Minister to follow through on the precise words or commitment previously uttered or given. How a statement is made or a decision is announced by a Minister is a matter for the Minister. However, the hon. Gentleman, who is a perspicacious parliamentarian,

has drawn attention to what I would call the disparity between what was said on one occasion and what happened on another.

Diana Johnson: Further to my previous point of order, Mr Speaker. I note the comment that you went on to make about today's written ministerial statement. May I just confirm that that written ministerial statement is merely a holding response, and that it is not actually the statement that was promised by the Minister?

Mr Speaker: I am unsighted on that point, but my additional observation about the written ministerial statement was intended to be helpful. It was not intended to spark a further debate on this occasion.

Chris Bryant: Ah!

Mr Speaker: "Ah!", says the hon. Member for Rhondda (Chris Bryant). I am glad that, even in the approach to Christmas, we can rely on his running commentary, which is richly enjoyed.

Television and Radio Advertising (Credit and Debt Management Services)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.38 pm

Mrs Jenny Chapman (Darlington) (Lab): I beg to move,

That leave be given to bring in a Bill to regulate the advertising on television and radio of credit and debt management services; and for connected purposes.

In other words, the Bill is designed to get legal loan sharks off our screens. Credit is something that few of us are able to live without. Whether we want to buy a car or a house, go to university or get married, most of us use loans of one form or another to enable us to do it. Debt in itself is not a bad thing. The problems start when debt becomes unmanageable—when loans are taken to repay other loans, and when the percentage of our income spent on debt creeps up and up until we are unable to service our debts.

Loans are often taken out following a change in circumstances, such as a relationship breakdown or the loss of a job, or to tide us over while times are tough. Loans are frequently taken out in response to emergencies such as a broken washing machine, the need to travel to a funeral, or unexpectedly high bills for facilities such as heating. The idea that people in unmanageable debt are always simply spendthrifts who should have known better is not correct. All but the very wealthiest have debt. Most of us either escape it or manage it reasonably successfully, but being in unmanageable debt is a problem that eclipses all others.

We know that owing money that cannot be repaid leads people to depression, suicide, domestic violence, alcohol misuse and deeper debt. Loan companies know that as well, and go to great lengths to make their products appear easy, everyday, and the perfect solution to an all-encompassing problem. Darlington citizens advice bureau tells me that the number of people applying for payday loans in Darlington has been increasing, and that television advertising is responsible. Such loans come with interest rates of about 2,500% for Wonga and 5,000% for Payday First. There is little disagreement about the expensive nature of that type of borrowing. The total cost of credit is well over 20% of the value of the loan. A consumer survey run by MoneySavingExpert.com suggests that a 20% cap on the cost of credit would be welcome.

The Bill does not seek to ban high-interest loans, although I think that that would be a very good thing. It seeks to prevent such loans from being advertised on television and radio. Television and radio advertising are the most effective forms of advertising available. Campaigns that use them consistently out-perform those that do not. Ads are now cheaper in real terms than they were in the 1980s and, on the whole, more successful. Advertising works. That is why restrictions are placed on the advertising of alcohol, and why the advertising of cigarettes on television and radio is not allowed.

We know that advertising generates demand, and that that is why companies pay large sums to advertise. We also know that other countries are getting serious about trimming the worst excesses of the credit and

[Mrs Jenny Chapman]

debt management industry, with maximum interest rates being introduced in the United States and parts of Europe. That is leading to an increase in high-interest lending in this country, with many US firms looking to the under-regulated UK market for their next growth opportunity.

By preventing the advertising on television and radio of loans that cost more than 20% of their value, we will remove the main means by which lenders target people on low incomes or on benefits, convincing them that a high-interest loan is appropriate, desirable and easy. In such ads, expensive lending is given the appearance of something that everyone is doing. That is classic nudge theory: make us believe that everyone is at it, and we are more likely to join in ourselves. That, is fine when applied to recycling or exercise, but not so fine when we are talking about exploitative loans.

The Bill also proposes restrictions on debt management services. We all know the ones I am talking about. Even those of us who do not admit to watching Jeremy Kyle have seen them: "Repackage all your debt into one easy monthly payment." Again, the ads make it look so easy. What they do not mention is the high cost of the debt restructure, or the fact that the same service is available from free Government and charitable sector organisations which are not in a position to pay for expensive television advertising. The eventual result is a spiral in which hefty charges are imposed on consumers who are in a desperate position. Those charges produce profits and pay for further advertising, enticing more people into using the service.

Statutory regulation, over and above the very basic licensing and supervisory regime presided over by the Office of Fair Trading, is vital. Over-indebted vulnerable consumers are acting under stressful conditions, without the time or inclination to shop around. There should be adequate protection from rogue providers of debt advice, so that huge numbers of already indebted consumers are prevented from falling into even greater financial difficulties. Estimates suggest that in 2010, fee-charging providers of debt management will cost heavily indebted consumers between £207 million and £275 million in fees alone.

At the end of September, the OFT published the results of a review of compliance with its debt management guidance, which providers are meant to abide by. The OFT found that non-compliance was widespread and had reached an unacceptable level. Misleading advertising was the most significant area of non-compliance—in particular, failure to disclose that a fee is retained by the business, and misrepresenting debt management services as being free when they were not.

My Bill proposes that adverts for debt management services should have to make their charges properly clear in all their advertising, and further that they should make it clear that alternative sources of free advice are also available, such as Payplan and Citizens Advice.

The Government have confirmed that Jobcentre staff will soon start issuing vouchers for people to exchange for emergency food supplies. The scheme will begin next month and roll out nationally in April. It is surely wrong that those same people who are being assisted by the state in this way are allowed to be deliberately targeted, misled and exploited.

By preventing high cost lenders from advertising on television and radio and by changing the way in which debt management advisers promote their services, we can start to make this sector less ordinary. We have given high cost lenders and debt management services an easy ride in this country. By curbing the worse excesses in their marketing, we reduce their ability to mislead increasing numbers of people into thinking that what they have to offer is good value, easy and commonplace.

Question put and agreed to.

Ordered,

That Mrs Jenny Chapman, Yvonne Fovargue, Nic Dakin, Justin Tomlinson, Heidi Alexander, Valerie Vaz, Tom Blenkinsop, Dr Stella Creasy, Sheila Gilmore, Dr Thérèse Coffey, Mr Robert Buckland and Tracey Crouch present the Bill.

Mrs Jenny Chapman accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 4 March 2011, and to be printed (Bill 129).

Backbench Business

[15TH ALLOTTED DAY]

Christmas Adjournment

Mr Speaker: Before I call a member of the Backbench Business Committee to move the motion, I should inform the House that a six-minute time limit will apply to Back-Bench speeches, and Ministers will be expected to wind up the debates on each occasion in 10 minutes. The list of Members and subjects has been published, but the order in which Members are called will depend upon the discretion of the Chair. As usual, the occupant of the Chair will seek to alternate in calling Members to speak from both sides of the House and will take into account how often each Member has spoken previously in this Session.

This is an experiment and we may need to be flexible to accommodate as many Members as possible and get ministerial replies to their speeches. Members are expected to remain in the House for the whole of the debate in which they are taking part. The annunciator will give notice of the likely start time for the next debate.

12.48 pm

Mr Peter Bone (Wellingborough) (Con): I beg to move,

That this House has considered matters to be raised before the forthcoming Adjournment.

I move this motion on behalf of the Backbench Business Committee. On behalf of Back-Bench Members I should like to thank the staff of the House for the splendid work that they do in supporting us through the whole year. In particular, on behalf of the Backbench Business Committee I thank the Clerk and staff of that Committee. I extend to you, Mr Speaker, my thanks for putting Parliament first and putting the rights of Back-Benchers firmly on the map. Through your direct and indirect actions, you have helped to restore confidence in Parliament.

The Backbench Business Committee wanted to try an experiment on the last day of term. The idea of the debate is that Ministers should have an opportunity to hear what Members say, that Ministers will give a substantive response to Members, and that Members will know the timing of the debate through the various chapters that have been used. If the experiment is successful, we will consider repeating it in future.

CABINET OFFICE

12.50 pm

Ms Karen Buck (Westminster North) (Lab): I am very grateful for this opportunity to make a few introductory comments on the 2011 census, in which I am supported by my hon. Friend the Member for Slough (Fiona Mactaggart) and the hon. Member for Cities of London and Westminster (Mr Field). He has sent his apologies for being unable to be here today, but he and I had a conversation about this issue this morning and he supports the comments I will be making, not least because they have been informed in part by an excellent briefing from Westminster city council. That is a comfort, because the council and I spend six days a week fighting like ferrets in a sack, so it is a pleasure when we are able to find areas of common agreement.

Ten years ago there was massive under-enumeration of the population in my constituency and my borough of Westminster, as well as in Manchester, many parts of east London, Cambridge, Oxford and many other areas of the country. One million fewer younger people than anticipated were counted at the end of the census process in 2001, leading the then director of the Office for National Statistics to comment that he thought they were probably all in Ibiza. That was a very good joke but, unfortunately, it hid a serious truth, because the reality was that the under-counting of the population in 2001 was almost entirely among harder-to-reach communities—poorer communities, black and minority ethnic communities and the more mobile communities—and that mattered. It mattered both in terms of the purity of the data and in terms of the grant allocations to local authorities.

In my borough of Westminster, 63,000 fewer people than anticipated were found by the census, and the contact rate was just 71%, which was the fourth lowest in the country. It took the local authority—I know because I was working with it—at least three years to convince the Government and the ONS that the census had been wrong. It was wrong in part because the contact rate was so poor, but it was also wrong at a most staggering level in that census forms were simply not delivered to entire estates. It was an extraordinarily incompetently managed exercise.

The four sweetest words in the English language are "I told you so." Before the 2001 census, I told the local authority, the Government and the ONS what would happen. The glow of self-righteousness lasted for longer than the census period itself, but it has given me no real satisfaction because this took so much time and did so much damage, and because the imputing of statistics after the process cannot capture the complexity of the population at a small-area level. The fact that the ethnic make-up of populations has not been thoroughly identified has meant that ever since we have not had sufficiently accurate data to be able to administrate health and local government services properly.

The 2001 census was subject to scrutiny by the Public Administration Committee and the London Regional Select Committee, which I briefly chaired, and I pay tribute to the officers who organised that scrutiny process. A number of evidence sessions were held, and by the end of the process I was convinced that some lessons had been learned from the errors of 2001. A proper

[Ms Karen Buck]

address register is being compiled for the first time, although I suspect it will not be maintained, and investment has been put into the scanning and tracking of census forms to ensure that there is real-terms accuracy in their return.

Set against that, however, is the fact that we now know from Government statements that the 2011 census will be the last one. That sends out a powerful psychological message. It is likely that this census will not attract as much support as previous ones. Also, local authorities and voluntary organisations, who are important partners, are distracted by cuts. The funding for administration is under pressure, and the Government have stated that they would like to see reduced funding. Above all, despite the ONS's commitment to a partnership with local authorities, it maintains a 'one-size-fits-all approach to management. The Westminster council briefing states:

"the ONS has placed a great deal of emphasis on the idea that the 2011 census is to be delivered in partnership with local authorities but the lack of local flexibility means that, for example, Capita's recruitment is so complicated and restrictive that the ONS have been unable recruit even half the staff needed locally."

Is the Minister content that staff will be recruited and trained properly?

There continues to be a serious risk that the ethnic minority populations will be the most significantly under-counted. Westminster's own survey found that the response was low, particularly in the high-churn districts, where it was as low as 4%. Without additional assistance and the Government giving a higher priority to this, and without the ONS now rapidly adjusting its response to the lessons being implemented by Westminster and others to improve the quality of the census process, we are in danger of not only repeating the failures of 2001 but possibly producing an even worse outcome in some areas. That will be bad news for local government and bad news for the health service. It will also reflect badly on the Government, and I ask them to make sure that, in the 20 remaining weeks, these errors are corrected.

12.56 pm

Jack Lopresti (Filton and Bradley Stoke) (Con): When I was thinking about this debate and my speech, I was conscious that the term "big society" has only recently been added to the political lexicon. In my opinion, it is not a new concept, however. One might almost call it an age-old human value. Here is a quotation that I believe begins to explain what the big society is:

"To be attached to the subdivision, to love the little platoon we belong to in society, is the first principle (the germ as it were) of public affections. It is the first link in the series by which we proceed towards a love to our country, and to mankind."

That was said by a man called Edmund Burke, who was the MP for Bristol in 1774.

Edmund Burke was one of the first writers to realise the importance of the spontaneous social groupings that people create for themselves. Social scientists have increasingly recognised that Burke's little platoons are the glue that holds society together and makes it tolerable. The point I am trying to make is that big society initiatives and volunteering empower people, and I think the big society could be one of the biggest social mobilisers we have had for generations.

It is not just poverty and difficult family circumstances that hold young people back; it is also the poverty of aspiration and a lack of good role models. By being part of a community group—whether in politics, sport or the arts—inclusion gives young people a sense of purpose and aspiration. It gives them a sense of community and active citizenship, and it can provide them with successful role models who can lead the way.

I know how difficult it is to escape from the constraints of our individual circumstances. I would not be a Member of Parliament if it were not for the fact that I was once a volunteer. At the age of 18 I wanted to engage in the political process locally and get involved in campaigning for a political party. It was only when I met other like-minded individuals, albeit from very different backgrounds to my own, and when I was inspired by role models, that I started to think that, perhaps, even I, who had left school at 15 with no qualifications, could one day be a Conservative Member of Parliament. People see others who are doing it, and they start to think, "Why not me?"

There are many examples in my own constituency of volunteer groups that inspire young people to mobilise and be part of the community. I think of the volunteers who run my youngest son's Army cadet detachment in Patchway—unpaid, passionate individuals who give up a lot of their time to keep the detachment going and to give the youngsters the chance to broaden their horizons by learning how to live and work with people from all walks of life, and who teach the cadets real life skills and provide great role models. I was also lucky enough to be invited to meet, at one of their weekly meetings, the St John Ambulance cadets in Bradley Stoke. I met some wonderful young people, some of whom are so passionate about their cause that they want to go on to become doctors and paramedics and take up other roles in the medical profession. I am in the process of arranging a trip for them to the House of Commons.

The big society is about overcoming the problems Britain faces by pulling together and working together. In this vein, real change does not come from Government alone, but, more importantly, when the people are inspired and mobilised. This is the underlying ethos behind the big society programme, and it is the approach we should take to improve social mobility.

In practical terms, the big society is a vision that can partly be described as championing local people at grass-roots level so that they can empower themselves and their communities, and partly as encouraging the private sector to help us to tackle social problems and to contribute to society as a whole. As the Prime Minister states:

"all the Acts of Parliament, all the new measures, all the new policy initiatives, are just politicians' words without"

the empowerment of people at a local level.

Nat Wei, the highly successful social entrepreneur who, as executive chair, has been instrumental in setting up the Big Society Network, has said that in groups people

"learn what society fundamentally is".

He has also said that that

"grouping at the local level is arguably a public good".

The big society is intertwined with the improvement of people's lives and circumstances. The big society initiatives and the mission to improve social mobility pave the

road on the journey back towards a healthy civil society—towards a 21st century-friendly society, in which all are invited to be active members.

I also wish to pay tribute to some of the organisations in my constituency, which are most prominent in my mind, for what they do to improve social mobility through big society programmes. I am thinking of the council for voluntary service in south Gloucestershire, which gives the voluntary and community sector in that area effective and accountable representation. By sitting on various strategic bodies and supporting other voluntary sector representatives, it ensures that volunteers are represented in local government. The guidance and assistance provided by south Gloucestershire CVS is invaluable to the voluntary sector locally. I also pay tribute to the Southern Brooks Community Partnership, which has done so much to promote the big society agenda in Filton, Bradley Stoke and elsewhere.

The Government's vision for a big society with more diverse providers of public services and greater power for communities to make local decisions brings huge opportunities to charities, voluntary groups and social enterprises. I am pleased that as well as providing these new opportunities and rights, the Government will assist new providers by improving access to the resources they need and providing funds to pilot the national citizen service. The big society bank will bring in private sector funding, in addition to receiving all the funding available to England from dormant accounts. I know that that, in particular, will help to transform the lives of many of our young people. I look forward to the Minister's response, but I am deeply encouraged by the commitments that the Government have already made to the big society agenda and to improving social mobility in our country hugely.

1.1 pm

Pete Wishart (Perth and North Perthshire) (SNP): Thank you, Mr Speaker, for giving me the opportunity to speak in the all-new, super-duper, pre-recess Christmas Adjournment debate. I wish to discuss the plans for a city status competition in Her Majesty the Queen's diamond jubilee year and the arrangements for that contest. If I get the opportunity to do so, I might just make the compelling, excellent and fantastic case for the beautiful city of Perth.

We in Perth were delighted when it was announced that there was to be a city competition in 2012 and we look forward to putting our compelling, excellent and fantastic case, alongside like-minded towns and cities throughout the United Kingdom. We naturally presumed that, once again, the Cabinet Office and the relevant Minister would attempt to ensure that a wide range of cities from throughout the United Kingdom would be rewarded with official city status, in recognition of the different civic traditions, arrangements and cultures in our diverse component parts of the United Kingdom. We therefore cannot begin to say how disappointed we were with the plans that we saw and how puny they were. Instead of encouraging a good competition, one that would match the commitment, energy, enthusiasm and ambitions of a range of candidate towns and cities across the United Kingdom, this time the Government have, for some reason, sought to award this status to only one city throughout the United Kingdom. After the efforts that we have made in our city, that has come as a crushing disappointment to Perth, as I am sure it has to other small applicant towns and cities the length and breadth of the United Kingdom.

Perth first approached the Ministry of Justice a couple of years ago to see whether it could secure official city status in advance of its 800-year anniversary: it is 800 years since Perth was awarded a city charter and became a royal burgh. We were encouraged to drop that plan and bid in the 2012 competition, which is what we have decided to do. Perth sees itself as a different aspirant city because it was an official city; it had its lord provostship. That goes back to what I was saying about the differences in tradition and culture between Scotland and the rest of the UK. We do not have mayors; we have provosts. It is bizarre to ask us to compete with towns and cities that have mayors, given that we have provosts. I look forward to the Minister's response on that.

Perth was an official city—in fact, it was the capital of Scotland and was where the Kings of Scotland were crowned. Until the 1970s, when the town was so callously stripped of its official city status, it was considered to be the second city of Scotland. So for us this campaign is not about securing city status; it is about restoring that status and it is a matter of justice. Even in 2010, Perth is still very much considered a city: it is the "Fair City" of Sir Walter Scott's book; it is the gateway to the highlands; it is the legal, administrative, commercial and educational centre of one of the largest areas in the United Kingdom, with one of the fastest growing populations in the country; and it even has a far-reaching internatjonal footprint, as we see when watching the English cricket team struggling to preserve the Ashes out in Western Australia.

When considering this competition, we must ask how we have done it before. In 2002, we had the Rolls-Royce version of a city status competition, when each of the nations of the UK had its own internal competition. That year, the city of Stirling was lucky enough to be awarded official city status. The millennium competition was not quite the same—with different competitions throughout the UK—but the equivalent of the Ministry of Justice at the time put real effort and energy into awarding this status to a range of cities from across the United Kingdom. Brighton and Hove, Wolverhampton and Inverness all won, so there was one winner from the south of England, one from the midlands of England and one representing the rest of the nations of the UK. That was a fantastic example of how a city competition throughout the UK could be organised and it was far more generous than what is on offer the next time around.

Such is the concern that, in a rare gesture of political unity, all the political leaders in the Scottish Parliament have come together to express their concern that Scotland will be overlooked. We in Perth are confident that we can see off all comers, because we believe that our case is fantastic, excellent and compelling, and that the beautiful city of Perth will be a real contender. However, what we presume will happen, given that there is to be only one winner, is that this competition will be lazy and sloppy. We presume that it will tend to favour the largest and those with greater access to the centre of power and—dare I say this?—it may favour applicant towns with one Conservative Member of Parliament or with several Conservative MPs.

[Pete Wishart]

We know that 11 towns from England are bidding to be official cities this time around, the smallest of which is twice the size of Perth and the largest of which is five times as populous, so they will have greater resources to deploy. If I were representing an English applicant town, I would expect to win this one. I would not expect the winner to be from the Celtic fringe. Given that England is the largest constituent part of the UK, I would expect one of its towns to win. All I am asking the Whip to pass on to the Minister is a request to review slightly what the Government have in mind for this city status competition and to do what was done last time around. The Government should reward a series of applicant cities from across the UK and make this fair. Let like compete with like. The Minister can still do that, because the plans can still be altered. Let us have a proper, genuine city competition that can meet and match the ambitions of communities the length and breadth of the United Kingdom.

1.7 pm

Harriett Baldwin (West Worcestershire) (Con): May I, too, associate myself with the kind remarks made by my hon. Friend the Member for Wellingborough (Mr Bone) in passing on good wishes to everyone at this time of year?

I wish to discuss the West Lothian question, which, as I am sure all hon. Members appreciate, is the nickname given to the situation post-devolution in which MPs here at Westminster who represent Welsh, Northern Irish or Scottish constituencies may find themselves able to vote on matters that do not affect their own constituents.

In West Worcestershire, which I think of as being the heart of the heart of England, this issue is being raised increasingly frequently with me. Recently, I took part in a television debate, where the reporter had been to the border between Shropshire and Powys. Located on the border is a village called Chirk, which is divided. On one side of the town prescriptions are free and on the other side they cost £7.20. The differences do not end there, because the village might also be divided over matters such as university tuition fees and other services where the Welsh Assembly Government might treat their residents differently. Do not get me wrong, I am a big supporter of devolution and the process of localism that we are going through. It represents enormous progress. I am also a big supporter of the Union, but it does not mean that the West Lothian question can be swept under the carpet for ever.

The manifesto on which I was elected said:

"Labour have refused to address the so-called 'West Lothian Question': the unfair situation"

of Scottish, Welsh and Northern Irish MPs voting on matters that do not necessarily affect their constituents. It continued by saying that we

"will introduce new rules so that legislation referring specifically to England, or to England and Wales, cannot be enacted without the consent of MPs representing constituencies of those countries."

I completely acknowledge that during the five days in May, when the coalition's programme for government was put together, the pledge was somewhat changed, and a commission has been called for to look into the question.

On 26 October, I was able to ask the Deputy Prime Minister in the Chamber for an update on when the commission might be established, and he replied:

"My hon. Friend the Parliamentary Secretary, Cabinet Office, who has responsibility for constitutional affairs, will lead on that and he will announce our intention to set up a commission on the long-standing knotty problem of the West Lothian question by the end of the year." [*Official Report*, 26 October 2010; Vol. 517, c. 154.]

Last week, however, my hon. Friend the Member for Brighton, Kemptown (Simon Kirby) received a written answer from the same Parliamentary Secretary, to the effect that the Government are

"continuing to give careful consideration to the timing, composition, scope and remit of the commission. Its work will need to take account of our proposals to reform the House of Lords to create a wholly or mainly elected second chamber, the changes being made to the way this House does business and amendments to the devolution regimes, for example in the Scotland Bill presently before the House. We will make an announcement in the new year." [*Official Report*, 15 December 2010; Vol. 520, c. 822W.]

So my first question for the Department is: will the Government clarify which part of the new year that is likely to be, and confirm that the new year referred to is, indeed, 2011?

I should like to use this opportunity to preview my private Member's Bill. I was lucky enough to be placed seventh in the ballot, and the Bill has its Second Reading on Friday 11 February. It has the innocuous title of the Legislation (Territorial Extent) Bill, and from my research into the West Lothian question I have found that the challenge is to get around parliamentary privilege. We are all elected to this place equally, and we can all have an equal say and vote on all issues, and we certainly do not want to have two categories of MP.

Many much more distinguished brains than mine have wrestled with that knotty problem. In 2000, Lord Norton of Louth looked into the matter and came up with some proposals; in 2006, my hon. Friend the Member for North Dorset (Mr Walter) had a private Member's Bill on the issue; and Lord Baker of Dorking had a Bill in the Lords in 2005. The current Prime Minister then asked the now Lord Chancellor and Secretary of State for Justice, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), to look into the issue.

It might be possible to use Standing Orders and Speaker certification to identify which Bills affect which parts of the UK. My private Member's Bill simply calls on draft legislation to identify and outline which parts of the UK it affects. It is a simple piece of preparatory, enabling legislation, and I urge all hon. Members who share an interest in the matter to come to me with their ideas. My second question is: will the Government be able to support my private Member's Bill?

1.13 pm

Fiona Mactaggart (Slough) (Lab): The Christmas Adjournment debate is a good opportunity for the Government, 2010 years after a botched census led to a baby being born in a stable, to get the 2011 census right. Slough has for a long time been a victim of the failures of the previous census, and as a result we have been

underfunded for a significant period. I am concerned that worse problems might occur in the 2011 census, and they will arise from a combination of inadequate resourcing and flawed methodology.

The first flaw in the methodology is the emphasis, as my hon. Friend the Member for Westminster North (Ms Buck) pointed out, on using the post. That is a deterrent to people in my constituency, many of whom have poor literacy skills. Moving as a primary school teacher from Peckham to Slough, I was shocked by the poor literacy in the constituency that I now have the privilege to represent.

Slough's "hard-to-count" score is assessed as a three, which puts it in the top 20%, but that is another error. It should be assessed as a four, and in the top 10%, to account for our transient and diverse population. One indication of the rapid change in Slough between 2008-09 and 2009-10 is that schools in my small borough recorded 531 recently arrived pupils from 53 different countries.

The score also does not take proper account of the impact of houses in multiple occupation. Slough can provide the Office for National Statistics with information about 1,500 HMOs of which the authorities are aware. For the remaining 2,000 HMOs, which are implied by census and survey data, only one questionnaire will be posted, however. If the questionnaire is posted back or completed online, no follow-up visit by a census collector will take place. Only if a questionnaire is not posted back or not completed online will there be any opportunity for accurate counting through a follow-up visit, and those houses in multiple occupation are just ordinary terraced houses.

Additionally in Slough, a number of people live in sheds and other hidden households for which we have no address, so there will be serious problems in dealing with that. I should like to suggest five remedies to which I hope the Minister will respond.

First, the Minister should ensure that the people responsible for collecting census forms have the requisite language skills. Slough borough council is concerned that none of the census posts being advertised has language as an essential requirement. The recruitment and selection process that Capita is delivering on behalf of the ONS means that there are no face-to-face interviews, and that selection decisions are based on performance in online testing and questioning. Although language skills are listed as desirable for all roles, they are not part of the recruitment and selection process, but they should be.

Secondly, will the Minister ensure that the operational elements of the 2011 census include dedicated and adequately resourced events at which people can complete census questionnaires? Currently, the planned completion centres will not have sufficient personnel who are able to re-issue household questionnaires. Only ONS staff can do that, and in my borough only seven and a quarter people will be able to do so.

As a result, in a very verbal town, the events in the centres, which could be a good way of ensuring that people are able to complete their questionnaire, will not take place frequently enough or in enough places. Are the ONS staff trained in questionnaire filling? Will they have the language skills that my constituents require? The ONS says that local authorities can set up alternative completion centres, but local authority staff cannot issue new forms; only the ONS staff can do that.

Thirdly, a national marketing campaign must take place. It has been deferred because of the Government moratorium on advertising, and that is pretty stupid, frankly. Will the Minister ensure that materials are available and clear? Slough has volunteered to translate certain materials, but the ONS has not agreed, so may I have an assurance that the publicity campaign will be agreed to?

Fourthly, we must improve the arrangements for large households. Currently, the head of household will have to request an additional form if there are more than six residents in their household. They will have to do so using a phone line, and in Slough the head of household is likely to be someone for whom English is not their first language, so such requests will be hard to make. May we therefore have better arrangements for people who need supplementary forms?

Fifthly, Slough is under-represented. I am familiar with the London borough of Wandsworth, which is about twice as big as Slough.

Mr Bone: The hon. Lady is making a powerful speech. Has she considered whether a sampling technique would be better than an actual census?

Fiona Mactaggart: The hon. Gentleman is right to make that point, and sampling will take place after the 2011 census, because that will be the last one. Sampling techniques are theoretically great, but I spent 10 years trying to persuade the ONS that its sampling techniques and statistical methods were inadequate, so I know that they are not perfect.

To return to resources, the London borough of Wandsworth is about twice the size of Slough and has a similar ethnic mix, yet Wandsworth has two area managers, whereas Slough has one quarter of an area manager. Wandsworth has two community advisers, the same number as Slough, and 23 co-ordinators compared with Slough's five. I do not begrudge Wandsworth that; indeed I live in Wandsworth as well as in Slough, but the ONS has shown since 2001 that it does not get Slough and continues not to get Slough. Unless it gets Slough and puts the resources in we will once again be under-counted in the 2011 census.

1.20 pm

Penny Mordaunt (Portsmouth North) (Con): The third sector makes a huge contribution to the quality of life of everyone in my constituency, and given the opportunity it could do even more. In Portsmouth, we are particularly indebted to Community First, which has done so much to support charities and community organisations.

However, there are some very real threats to the sector's capacity to expand, and even maintain, its current work in the community. Local authorities are faced with reduced grants from central Government. In the economic circumstances, it would be a naive council that thought that it would be protected from the consequences of a massive deficit, but it would be a lazy council that responded to the challenge of a reduced budget by cutting funding to third sector organisations.

If local authorities use this spending round as a cover for a retreat to the comfort of central provision, they will not be thanked and nor will they be acting responsibly. I am sure that everyone in the House understands, and

[Penny Mordaunt]

can give many examples from their own constituencies, of how the third sector delivers better value for money and the most client-focused services, raises additional funds and inspires more good will than its public and private sector counterparts. It is said that the people do not know what the big society is, but people do know that and the third sector has been laying the foundations for years. It is big state local authorities that are refusing planning permission for the next stage.

I have identified four key concerns in Portsmouth. First, local authorities must harness the power of the third sector rather than stifling it and running it down. There is a lacuna in service commissioners' understanding of what the sector can offer and an unwillingness to fill it. The Government have done and are doing much to level up the playing field, but unless commitment is continued at a local level where powers are being pushed, we will not succeed in empowering charities and community groups to become providers or set up sustainable services.

Take a service such as Motiv8, for young people in Portsmouth. The enormous amount of money that it saves the public purse in the long term is well documented and there is no doubt that such services are required. Yet unless it can be sure of transition funding, some of its activities might have to stop. There is no doubt that the ill effects of its absence will be keenly felt and, in time, the council will need to re-establish similar provision - but this time, probably council-provided. That is a complete waste of money and the same could be said for other services such as Pompey Stars, Off The Record and Enable Ability, which already deliver very good returns on investment.

To shut such services in spring purely to reinvent them in the summer, following the loss of staff, premises and good will, seems a crazy thing to do, especially as these services are often able to attract considerable additional funding if they are given enough time to do so.

This small-mindedness is further represented by the lack of a commissioning framework in Portsmouth. That makes it extremely difficult for organisations such as the Alzheimer's Society to plug into the service needs of the population. Work is under way to streamline and standardise commissioning in Portsmouth, but I am very sceptical about whether that will create a level playing field for small voluntary organisations.

There is much to be done on the demand side of commissioning, too. If we are really to tackle the considerable unmet need that exists in Alzheimer's and dementia care, we must be focused on that need and find ways to meet it. Portsmouth city council must cut its backroom costs and find ways of making every pound spent on these services lever in more funding and volunteers. It should be increasing provision, not shutting services in the north of the city such as those provided at the Patey centre.

Mr Bone: My hon. Friend has made a powerful case when mentioning her local council. What she says is absolutely true and applies across the country. My council in particular could learn from it as well.

Penny Mordaunt: I thank my hon. Friend; I am sure that everyone can give examples of such things happening on their own patch.

Another example of how the sector could support the commissioning and design of services can be seen in the work of the wonderful Beneficial Foundation, which provides not only training and life skills teaching for people with learning disabilities, but a fantastic business recycling scheme that provides arts and crafts materials for so many organisations. At a time when the council is seeking to introduce a business recycling scheme, would a conversation with the Beneficial Foundation not be worth while?

Thirdly, there is a refusal to maximise our community assets. The Stamshaw and Tipner leisure centre, which has been threatened with closure and demolition on more than one occasion, is due to be made structurally sound next year, but there is no funding to bring the interior up to a standard that would guarantee a sustainable number of bookings from community groups. In response, members of the community have stepped forward to do it themselves - time, tools, materials and donations have been offered. But it has been very difficult to engage with the local authority on simple matters such as the building schedule and getting approval for the work to be done. How much good will is lost when the local authority is not responsive to such offers?

In my patch, many community assets have been neglected for years, and - one suspects - earmarked for demolition, to be replaced by housing. In Cosham, for example, there is the Moat club and the amazing Wymering manor, which is even mentioned in the Domesday Book. I am delighted that at long last the Hilsea lido has been transferred as a community asset. The Pool for the People group is legendary for its hard work and dedication to restoring this wonderful community facility to its former glory. I have every confidence that we will be able to retain these assets and that in the not-too-distant future, generations of Portsmouthians will be able to enjoy the manor and the lido again. However, we have to make it as easy as possible for communities to help themselves.

The final obstacle that I have identified in Portsmouth is the lack of financial transparency at Portsmouth city council. If you go to the council's website and look for information related to its expenditure, you will find this statement:

> "We believe transparency is a key condition and driver for the delivery of our services. As a publicly funded organisation, we have a duty to our residents to be transparent in our business operations and outcomes."

Unfortunately, that is it. There is no information about what it does spend the money on, and it is one of the only councils in the country not to have published its expenditure online. The north of the city has been scandalously underfunded for decades. The council must move to publish all its expenditure online, so that people in my constituency can see what they are owed and what has been spent - exactly what has been spent on Alzheimer's and dementia care, for example, and what is going into our community assets.

I also want my local authority to set up a modest transition fund - of tens of thousands of pounds, not hundreds of thousands - to ensure that services whose external funding is not secure by the time of the Budget can continue until the end of summer, when statutory or other funding will be in place. The Cabinet Office needs to work closely with the Department of Communities and Local Government - and, I would argue, directly with Portsmouth city council.

1.27 pm

Stephen Crabb (Preseli Pembrokeshire) (Con): I start by echoing the thanks of my hon. Friend the Member for Wellingborough (Mr Bone), a member of the Backbench Business Committee, to all the members of his Committee and the staff who support its work. We have had an interesting first chapter to this debate and I shall try to provide substantive responses to each contribution.

First, I turn to the speeches made by my hon. Friends the Members for Filton and Bradley Stoke (Jack Lopresti) and for Portsmouth North (Penny Mordaunt), who both spoke passionately about social mobility and the contribution that community organisations make to delivering the big society. Unlocking social mobility is at the heart of the coalition Government's agenda. We believe that a fair society is one in which opportunities are detached from origins and everyone has the chance to do well regardless of their background. If everyone can fulfil their potential and people's talents are unlocked, our economy will also benefit.

However, we should recognise that social mobility trends in the UK are not encouraging. There is evidence that social mobility declined for people born in 1970 in comparison with those born in 1958. Data from the OECD show that, relative to other countries, the earnings of individuals in the UK are strongly related to the earnings of their parents.

We want to reduce the degree to which patterns of advantage and disadvantage are carried across from one generation to the next. The Deputy Prime Minister is championing social mobility within the Government and is chairing a social mobility ministerial group to ensure cross-Government action. A social mobility strategy will be published early next year and several reforms that aim to improve social mobility are already in process. Alan Milburn has been appointed as the independent reviewer of social mobility, to keep us on our toes.

I agree with my hon. Friend the Member for Filton and Bradley Stoke, who said that the Government cannot improve social mobility by working alone. That is true. Individuals, civil society organisations, employers, community groups and other non-governmental organisations play a critical role in helping people to do well, regardless of their backgrounds. The three pillars of the big society—social action, community empowerment and reforming and opening up public services—will empower people to take control of their lives, and the rest of society, not just the state, will help them to do that.

The Government are committed to supporting the voluntary, community and social enterprise sector to take up opportunities and play its part in the big society. We want to recast the sector's relationship with the state and give it a huge range of new opportunities to shape and provide innovative, bottom-up services and solutions where state provision has failed. We recognise that those opportunities will not emerge overnight and that, furthermore, spending reductions will also have an impact. We are making £100 million of transition grant funding available to front-line organisations over this and the next financial year to support the sector through this difficult period. That will give such organisations the breathing space that they need.

Ministers have also made three clear commitments to support the sector over the longer term. First, we will make it easier to run voluntary and community groups and social enterprises; secondly, we will put more resources into the sector; and, thirdly, we will make it easier for the sector to work with the state. Examples of our work in that area include the Lord Hodgson review into cutting red tape, and the big society bank, which will help to grow the social investment market and broaden the finance options open to the sector. We are consulting on proposals to improve infrastructure support for front-line civil society organisations in order to ensure that the Government's investment in improving the capability of the sector in the future is appropriate and effective. That consultation closes on 6 January.

Mr Bone: When the Backbench Business Committee produced this pilot form of business, I did not know that we would have the novel experience of hearing a Whip at the Dispatch Box. I think it is my hon. Friend's first time at the Dispatch Box, but he is doing a good job. I wonder whether we will be hearing from more Whips at the end of term. In many regards, he is doing much better than the normal Ministers.

Stephen Crabb: I think there was a compliment in there somewhere. I remind my hon. Friend that it is not an entirely novel experience. In the previous Parliament and in this Parliament, Whips have been deployed in a variety of ways, including at the Dispatch Box.

My hon. Friend the Member for West Worcestershire (Harriett Baldwin) raised the "knotty" issue of the West Lothian question. The Government have announced that they will establish a commission to consider that issue as part of their wider political reform. She referred to the answer to a question asked last week by my hon. Friend the Member for Brighton, Kemptown (Simon Kirby) from the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), who has responsibility for political and constitutional reform, in which he said that the Government will make an announcement on the commission in the new year. I am happy to confirm that we do indeed mean 2011. That is very much part of our programme for next year. The issue has been around for at least 150 years, so I encourage my hon. Friend the Member for West Worcestershire to bear with us and show patience, because it is important that we get the right solution to some difficult issues.

We are continuing to give careful consideration to the timing, composition, scope and remit of the commission. Its work will need to take account of our proposals to reform the House of Lords to create a wholly or mainly elected second Chamber. There are changes being made to how this House does its business and there are developments in devolution, not least through the Scotland Bill before the House. As I have said, we will be making an announcement on that in the new year.

Two hon. Members addressed the issue of the 2011 census. We had powerful speeches from the hon. Members for Westminster North (Ms Buck) and for Slough (Fiona Mactaggart). All hon. Members will be aware that the census takes place on 27 March. Accuracy of the census is very important, because it is used to allocate billions of pounds of public spending every year. The Office for National Statistics takes the census extremely seriously and is working very hard to ensure that the problems of undercounting experienced in 15 local authority areas in 2011, including in Westminster, are not repeated. The

[Stephen Crabb]

ONS is actively engaging with every authority to ensure that there is a successful census next year, and it has a partnership plan in place with each local authority. A plan for London as a whole has also been developed with the Greater London authority and the London boroughs.

Fiona Mactaggart: There is a partnership plan, but the problem is that it is a bit one-way. If it were a genuine partnership, local authorities that are trying to help improve the accuracy of the census would have more ability to contribute to the partnership. If the hon. Gentleman would tell the ONS that, we might have a better partnership.

Stephen Crabb: I assure the hon. Lady that the ONS will receive a full transcript of this debate. I am surprised by her remarks, because only last week, I think, the chief executive of Slough met the ONS to discuss the census. The leader of Westminster city council has also had meetings this year with the ONS on the topic.

On specific improvements to the census process, 35,000 field staff are allocated to areas where it has been hard to obtain responses in the past, particularly inner-city areas and areas of high migration and population change. There will also be a three-times greater effort by field staff to collect outstanding questionnaires than in 2001 and a four-times greater effort in London and some other urban areas, including Slough. Some 200 staff are working within their local communities to engage local residents and community groups, promote the census, encourage local people to apply for census jobs and arrange support and assistance for census completion where needed. Collecting details of second addresses in the census will improve the population counts in local authority areas, such as Westminster. Additional questions about national identity, the intention of migrants to stay and citizenship will support a more detailed understanding of migration and population in areas including Slough and Westminster.

Ms Buck: I am not seeking to challenge the hon. Gentleman's in-depth knowledge on the census, but would he do me the great favour of asking the relevant Minister to write to me on the specific issue of recruitment? We have a genuine problem, and Westminster council's briefing substantiates that. I am sure that my hon. Friend the Member for Slough (Fiona Mactaggart) would also like to pursue the matter further with the relevant Minister.

Stephen Crabb: We will write to both hon. Members on a number of the questions they asked about the census. Recruitment is, overall, going very well. Recruitment of 4,000 special enumerator and census collector jobs began in September and is nearing completion; 67,000 applications have already been received. Recruitment of collectors began in November and is also progressing well, with 82,000 applications received so far for around 30,000 roles. Efforts are targeted in the small number of areas where allocations have been slower.

On the subject of the Queen's diamond jubilee competition for city status, I pay tribute to the work, energy and commitment of the hon. Member for Perth and North Perthshire (Pete Wishart) in supporting his local community's bid. The last occasion to have been marked by granting city status was Her Majesty's golden jubilee in 2002, when separate competitions were held in the devolved nations. That resulted in the granting of city status to one town.

Mr Bone: On a point of order, Mr Speaker. Am I right in understanding that the 10-minute limit for my hon. Friend to respond is only guidance and that he can run on into extra time?

Mr Speaker: As usual, the hon. Gentleman is correct. The time limit was an expectation that I stated at the outset, but the Chair will exercise judgment about when the debate should be concluded. The hon. Member for Preseli Pembrokeshire (Stephen Crabb) is seeking to respond to points, and he may briefly continue to do so.

Stephen Crabb: I am grateful for your generosity and clarification, Mr Speaker. All previous competitions up to 2002 had been organised on a UK-wide basis. The golden jubilee competition was the only time when separate competitions were held for the devolved nations and for England. We regard the bestowing of city status as a signal honour and a rare mark of distinction. Something special will be lost if too many places are granted city status. The Government's expectation is that only one new city will be created as a result of the diamond jubilee competition and, similarly, that only one existing city will be granted a lord mayoralty or lord provostship.

Pete Wishart: Does the hon. Gentleman accept that it is very difficult for Scottish cities to compete with English cities, given our different civic traditions and cultures? Does he also accept that if we are trying to ensure that a range of places across the United Kingdom are involved, there has to be more than one winner? Surely, if there is to be only one winner, the largest will naturally be the favourite.

Stephen Crabb: I am not sure that I accept the hon. Gentleman's analysis at all on that. Every bid will be judged fairly on its merits. There are some strict criteria in place, the details of which are available on the Department for Culture, Media and Sport website. I hope that those criteria will allay some of his concerns.

I am sure that the tradition of referring to Perth as the fair city will continue, whatever the outcome of the competition. However, there is only one way to become recognised as a city in the UK: by having the honour conferred by the sovereign. That is the prize that awaits the successful entrant to the competition. I wish all potential entrants, including the fair city of Perth, the very best of luck.

HEALTH

1.39 pm

Barbara Keeley (Worsley and Eccles South) (Lab): I want to talk about support for the 6 million unpaid carers who provide social care to a family member or friend. More people are having to step in to provide high levels of care to family members. The 2001 census, about which we have heard so much today, found that 10% of all carers in the UK were caring for more than 50 hours per week, but figures published more recently by the NHS information centre show that that has now more than doubled to 22%. In Salford, the proportion has been much higher for some time: 24% of Salford carers cared for more than 50 hours per week in 2001, which was more than twice the national figure.

Carers are key partners in care for the NHS, but full-time care takes a toll on the carer's own health, and their health needs should be recognised. Carers who care for more than 50 hours a week are twice as likely to suffer ill health as the general population, and those caring for a person suffering from dementia or stroke disease are also more at risk. Importantly, carers who do not receive a break from caring are much more likely to suffer mental health problems—that is, 36% of carers compared with 17% who do get a break.

The Government have announced £400 million of funding for carers' breaks over four years, to be delivered through primary care trusts initially, but there are problems with this because the funding is not ring-fenced. The Labour Government allocated £150 million over three years to primary care trusts for carers' breaks, but a survey by the Princess Royal Trust for Carers in 2009 found that less than a quarter of the first tranche of that funding had been used as intended to support carers. Given the financial pressures that are now facing primary care trusts, and their impending abolition in the NHS reorganisation, it is hard to see them doing a better job for carers now than they did last year when they did not have those pressures. There is great concern among carers and carers' organisations about the impact of the NHS reorganisation and cuts to local authority budgets. Carers UK says that carers are worried that when commissioning is handed over to GPs they will lose services on which they rely. Many carers have negative experiences of dealing with GPs who do not have a good understanding of social care or of the specialist conditions that are giving rise to the care.

There is also much concern about cuts to social care that councils are making in response to the 27% cuts in their budgets over the next four years. The cuts are front-loaded, so together with the loss of area-based grants that were targeted at deprived areas, councils such as those in my area of Salford will have to make cuts of £40 million next year alone. The Government are putting £2 billion into councils' social care budgets over four years, but that is only half of the £4 billion that the Association of Directors of Adult Social Services has estimated is needed to meet increasing levels of need. In addition, social care is one of the biggest areas of each council's budget, yet the new money is not ring-fenced either, so councils are facing budget cuts of £5.6 billion over the same period. It is hard to imagine that social care will not be part of that.

We have already seen councils cutting funding to social care. Even before the comprehensive spending review, five councils with a "moderate" threshold were proposing to tighten their eligibility criteria to "substantial". Birmingham council and the Isle of Wight have now proposed to raise their thresholds to meet critical needs only, and other councils are considering that. North Yorkshire county council plans to reduce its number of residential care homes by two thirds, and others are taking similar action. Councils are increasing their hourly rates for care and removing maximum weekly caps, which can mean charges doubling. For very many people, that will mean that the care is not available or they cannot afford it.

In Salford, we are very fortunate to have an excellent carers centre run by the Princess Royal Trust for Carers, with Dawn O'Rooke as the manager and Julia Ellis doing a fantastic job as the primary care project worker. Staff there are concerned about what they see as a marginalisation of carers support services owing to the twin changes of GP commissioning and council budget cuts. Salford carers centre has worked with GP practices to enable GPs to identify many carers and refer them on for advice and support. That identification and referral can make a significant difference for carers in their getting benefits, using personal budgets and getting checks on their own health. However, with GPs handling commissioning, there will be significant extra pressures of time. One reads day in, day out about GPs being very concerned about that. There is a real fear that GPs in Salford will no longer prioritise the development of support for carers.

Given our record in Salford, I hope that our GP consortiums and the city council will continue to support carers' services so that the excellent work can continue. However, with GPs handling commissioning, there will be significant extra pressures, and it is hard to see councils and GP consortiums up and down the country prioritising carer support when they have so many other calls on their time and resources. Many people rely on unpaid carers, and more will have to do so over time. It is projected that that figure will reach 9 million in 25 years' time. I therefore urge Health Ministers to put their support for carers high on their agenda and to keep it there throughout 2011.

It is an unusual experience for me to speak in this pre-recess Adjournment debate rather than answer it, which is what I used to do. I think that the Deputy Leader of the House has opted out a little bit by cutting his work load. However, I would like to wish everybody a very happy Christmas.

1.46 pm

Jason McCartney (Colne Valley) (Con): It is an absolute pleasure to be speaking in this pre-Christmas Adjournment debate—my first. I offer season's greetings to everybody.

When I was elected to this House, I promised that I would continue to fight to bring full maternity care back to Huddersfield Royal infirmary. I have already raised the issue in this House several times, and I welcome the opportunity to do so once again. The issue of maternity services in Huddersfield has been a very emotional and controversial topic in my constituency. Huddersfield Royal infirmary's consultant-led maternity services closed in August 2008, and mums now have to be transferred to Calderdale Royal hospital if there are complications during birth. Many mums, though, are not taking any risks at all and opting to go to Halifax

[Jason McCartney]

for all the birthing process. There is a new midwife-led unit at Huddersfield Royal infirmary, but mums want specialist and emergency care to be available there too. Many have got in touch with me through a Facebook group that I have set up. I have more than 7,000 members, and cases are being messaged through to me all the time from mums who have had bad experiences.

In an emergency, the time it takes to travel to Halifax from Huddersfield and my constituency can be the difference between life and death for mother and baby. I joined two of my constituents to set up a campaign group in memory of their little girl who died at just two days old. Following the closure of Huddersfield's specialist maternity services, the mum had to be transferred to Calderdale for an emergency delivery. During that time, the baby suffered a lack of oxygen to her brain which resulted in severe brain damage. The young parents then had to make the heart-breaking decision to turn off her life support system after just two days. We do not know for definite that things would have been different if Huddersfield had had specialist care available, but the little girl would surely have had a better chance if that emergency care had been available closer to where the parents live. I pay tribute to the parents, Alanna and Glynn, who set up the campaign group, MOMS – Move Our Maternity Services back to Huddersfield – with me.

I welcome the opportunity to raise once again the issue of getting specialist maternity care back at Huddersfield Royal infirmary, and I look forward to hearing from the Minister.

1.48 pm

Nick Smith (Blaenau Gwent) (Lab): I am very pleased to take part in this debate. I applaud the new arrangements that will allow a Health Minister to respond to contributions on health.

Public health policy aims to help people live longer and healthier lives, so it is a matter of key concern to me and my constituents in Blaenau Gwent, where average life expectancy is still too low. In the July pre-recess Adjournment debate, I raised my worries about the Conservative-led Government's reluctance to take forward Labour's measures to curb smoking, their collapse in the face of food industry's lobbying on food labelling and their hasty dismissal of minimum pricing for a unit of alcohol.

Sadly, the recent public health White Paper does not address my deep concerns. It sets out the scale of several significant problems. Britain has the highest rates of obesity in Europe. Smoking causes 80,000 deaths a year. A recent Alcohol Concern report showed that more than 92,000 children and young people under 18 were admitted to hospital for alcohol misuse between 2002 and 2009. Girls are more likely to need hospital treatment than boys. Diet-related disease costs the NHS £6 billion a year, alcohol abuse costs it £2.7 billion, and lack of exercise costs it £1.8 billion: a total of £10.5 billion.

Do we have a new, bold public health strategy to match that analysis? Apparently, there is a shift from nannying to nudging people to improve their health. It seems that commercial interests will dominate the partnership of those who will help us to be healthier. That is not good enough. *The Independent* reported recently that multinational companies dominate the Government's public health policy. It discovered that 18 representatives of Mars, Diageo and other commercial interests attended the first public health responsibility deal meeting in September, dwarfing the representation of health and consumer groups. I do not trust commercial interests to nudge me or anyone else towards a healthier lifestyle.

I take issue with the pompous put-down that Labour opted for a nanny state. Labour recognised that the Government have a duty of care to keep the nation as healthy as possible. That duty is particularly important for our young people, and particularly for the young women who lie comatose on the streets on Friday nights, after binge-drinking sessions. Alcohol was described as the most dangerous drug in the UK in a paper published by *The Lancet* in November. The Government have a responsibility to take further measures to prevent alcohol abuse.

The brewer, Greene King, wrote to MPs recently:

"It is our long held view that a great deal of the UK's antisocial behaviour stems from excessive drinking by a small minority of people, fuelled by the easy availability of alcohol from retail outlets, at very cheap prices. The solution must be proportionate to the problem and not penalise the majority of responsible drinkers."

I concur with that statement and agree with the solution of a minimum price for alcohol. The British Medical Association supports that proposal, as does the Association of Chief Police Officers.

The Government have said that they support a ban on below-cost selling. However, if cost was defined as duty plus VAT, it would be too low to tackle irresponsible discounts in supermarkets. No measures have been put before Parliament to end below-cost selling. I believe a range of measures is necessary to tackle alcohol abuse. There may have to be restrictions on promotions. Alcohol Concern stated:

"As long as alcohol remains as heavily promoted as it currently is, young drinkers will continue to consume far more than they might otherwise, leading to inevitable health harms, wasting ambulance and police time."

It is time we scrutinised the promotion of alcohol at cinemas, for example, where it is too easy for young people to be influenced.

I will talk briefly about measures to combat smoking. I was pleased that the all-party parliamentary group on smoking and health called on the Government to prohibit the point-of-sale display of tobacco products, and the sale of tobacco from vending machines. Those measures have widespread support. As my local director of public health at the Aneurin Bevan health board wrote to me:

"Nearly one quarter of the population in Wales are smokers and most of them started to smoke as children. The average age at which young people in Wales start smoking is between 11 and 12 years."

She ended her letter with a plea:

"please help to protect our children and future generations from a deadly addiction by ensuring that the government implements these laws".

Finally, I will comment on the problem of obesity. Obesity cannot be tackled by weakening the Food Standards Agency and by cutting the Change4Life anti-obesity programme. Statistics on obesity show the need for more exercise. I am therefore glad that the Government

have changed their policy on school sports provision in recent days, but more needs to be done. We must ensure that all children exercise regularly at school, not just those who are gifted enough to take part in competitive sport.

Nudging and soft partnerships, although helpful, are not sufficient. Self-regulation by supermarkets and tobacco companies will not deliver the better health and extra years that we hope for. Bluntly, if we do not act, the financial consequences for the NHS alone—the £10.5 billion that I referred to earlier—will be immense. Ministers must accept that meaningful regulation and taxation have a role—to rule them out is irresponsible and doctrinaire. The Government's recent White Paper on health is not good enough for my constituents in Blaenau Gwent, nor for people across our country. We must do better than this.

1.54 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a great privilege to speak in this pre-Christmas debate. I have already exchanged seasonal greetings with your good self, Mr Speaker, and other colleagues.

I rise to speak about the integrated drug treatment system, which is the drug treatment system for people in prison. The issue came to my attention when I visited my local prison, Hollesley Bay. I do not want to get into the rights and wrongs of drugs today; that issue has been debated in Westminster Hall. I am more concerned about value for money and the diversion of funds from primary care trusts to the continuation of prisoners taking heroin substitutes, at the taxpayer's expense.

In a recent Question Time, the Lord Chancellor and Secretary of State for Justice spoke of how important it is to get prisoners off drugs and to remove drugs from our prison estate. I fully endorse that view. Everybody was depressed in the mid-'90s when a judge ruled that it was against somebody's human rights not to be allowed drugs when in prison. A number of hon. Members, including you, Mr Speaker, have raised questions on this topic. This is yet another example, dare I say it, of a conflict between the judiciary and the common sense of the general public.

The cost of the IDTS to the taxpayer for the last three years has been £23.8 million, £39.7 million and £44.4 million. I am sure that my local residents would love an increase in health spending of such an amount. Such funding for the three prisons in the Suffolk district area and the one in the Great Yarmouth borough and Waveney district area has risen from £400,000 to £555,000. In Hollesley Bay prison in my constituency, £190,000 is allocated to just one prisoner. It is astonishing that under this system, one prisoner can continue to have a heroin substitute every day, at the expense to other people of just less than £200,000. The figures show no sign of decreasing.

Guy Opperman (Hexham) (Con): Does my hon. Friend agree that it cannot be right that we have inherited a system under which approximately 300 of the 1,000 prisoners in my major local prison of Durham are on methadone? The reality is that either we give them drugs on a prescribed basis, or they will obtain drugs illegally. What does she think we should do about that?

Dr Coffey: That is an extraordinary situation, and I am sure that the people of Hexham and Northumberland would be astonished to hear that the taxpayer is continuing to fund it.

I understand that Subutex, one methadone substitute, is highly valued and is traded in our prisons. Although I do not condone the policy of continuing to give methadone to prisoners, perhaps we should switch to liquid-only substitutes and remove the element of drug trading.

I cannot pretend that Suffolk is the most expensive part of the country for treatment costs. In Suffolk, the average cost per treatment is about £800. I am sure that the people of Cambridgeshire will be delighted to know that Whitemoor prison has been given a budget of about £312,000 from the PCT to pay for nine expected treatments, at a cost of £34,708 per treatment. That is scandalous in this day and age, and something has to be done. I hate it when politicians say that, but I genuinely believe that this issue is within our control and that we can do something about it.

When people come into prison, we should be trying not to continue their habits, but to get them off their habits. I understand that the primary reason we have switched increasingly to methadone prescription in drug treatment is that if people leave prison having been off drugs, they are more likely to have a bad reaction when they get their first fix. Perhaps I am a bit traditional, but my response to that is, "Tough!" I would rather that our precious NHS money was used on health care. I know that we are increasing the funds, but health care costs are also increasing. I dare say that the constituents of Suffolk Coastal would rather the money was spent on improving health care at Ipswich hospital. Despite the review by Professor Boyle, constituents in places on the coast such as Aldeburgh and Orford are still being put at risk, because if they have a heart attack the expected treatment time from when an ambulance is called to when it arrives is beyond the national guidelines. That is because there is not enough money to serve everybody.

I am not saying that we should not treat people to try to help them with their drug problem when they go into prison. In fact, I think it was the father of a famous pop star, whom I will not publicise, who said that one reason people commit offences is so that they can go into prison and get off drugs. I endorse that, and we should provide such help. Drugs are a scourge on the country because of the misery and crime that they generate.

I will conclude, because plenty of other Members want to speak about health. I could have addressed my points to the Ministry of Justice, but I believe that the Department of Health can move us forward and ask whether the situation that I have described is the best way to use our precious resources in the NHS.

2 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): A merry Christmas to you, Mr Speaker, and to the House.

I was born in Wallsend in the 1960s, and my mother was born in Newcastle in the '20s. What we had in common, which we share with any child of the north, was the impact of geography on our life chances. A child born in Newcastle today is expected to die five years before one born in South Cambridgeshire, the constituency of the Secretary of State for Health.

[Chi Onwurah]

Of my mother's six brothers and sisters, only one survived into adulthood. We have certainly made great strides since those dark days, but health is still a critical political, social and personal issue. Newcastle has world-beating hospitals—the Royal Victoria infirmary, the Freeman and the General hospital. We also have the Campus for Ageing and Vitality, the Centre for Life, the Great North children's hospital and the Northern Institute for Cancer Research, but what we do not have is health equality.

The people of Newcastle are more likely to die early from cancer, heart disease or stroke. We tend to die younger, are more obese as children, and are more likely to die from the cold as pensioners. We suffer more from the diseases of our industrial legacy, such as asbestosis, and we are more likely to be born into poverty, experience mental illness and commit suicide. One in 25 adults in Newcastle claims incapacity benefit for mental illness, four times the rate in the constituency of the Secretary of State for Education.

I will be frank and say that I do not believe the last Government did enough to tackle the issue of mental health. It is the responsibility not only of health care providers but of social services, educators, the police and prison officers. The lack of co-ordination and support was tragically highlighted by the case of Raoul Moat earlier this year.

As a Newcastle MP, I consider my primary duty to be to work for the health and well-being of my constituents, so the existing inequalities concern me and I am worried that they will widen under the current Government. I hope that the Minister can offer me some reassurance. The previous Government doubled health funding in real terms, reduced waiting times and improved health outcomes. Deaths from heart disease and stroke went down by 40%. They also worked hard to tackle poverty and its associated evils, such as poor housing, low aspiration and unemployment, which all have an impact on health.

Improvements in those areas benefited the mental and physical health and well-being of all our constituents, but in Newcastle, inequalities have been maintained or even increased. In 1998, early death rates from heart disease and stroke were 19% higher in Newcastle than the national average. In 2007, they were 26% above a much reduced national average.

The last Government prioritised tackling health inequalities in 2006—too late, certainly, but as a result the North East strategic health authority, primary care trusts and hospitals are all working to address the problem. However, that is all set to change. The Government's reforms to the NHS are estimated to cost £3 billion, without counting the cost of disruption and the loss of skills. Our strategic health authority and primary care trust are being abolished and funding will be in the hands of GP consortiums, of which Newcastle will host one of the first. The Government do not like targets, but will the Minister confirm that she expects the key measures of health inequality to reduce as a consequence of those changes? Will she also confirm that Newcastle will not have to pay anything for those reforms from its health allocation?

The Secretary of State recently wrote to me to say that the 2011-12 allocation for Newcastle represented a growth of 2.8%, including a change to the funding formula. Despite written questions, however, I have been unable to clarify how the changes will address health inequalities. The Government's changes to formulas have tended to work against us in the north-east, so will the Minister confirm that more will be invested in health services for every man, woman and child in Newcastle in every year of the comprehensive spending review period?

Guy Opperman: Does the hon. Lady agree that the health service in Newcastle now covers not just her constituents in Newcastle but mine in Hexham, both because they are run by the same trusts and because the services are now so interdependent?

Chi Onwurah: The hon. Gentleman is absolutely right. Health services in Newcastle are accessed by a wide range of people from across the north-east.

Finally, the Minister will know that health depends on many factors. The Government's wide-ranging cuts will have a negative impact on people's health, especially the health of the most deprived. Cuts to fuel poverty reduction programmes such as Warm Front will leave pensioners in Newcastle cold, and therefore more vulnerable to illness. Cuts to area-based grants such as Supporting People mean that there will be less investment in support services for those with mental health problems, and cuts to the working neighbourhood fund mean that my constituents will have less help to get back into work, with all the health advantages that work brings.

I shall give the Minister a specific example. In Newcastle, about £10 million a year goes to charities to help deliver services for the vulnerable. The Government's cuts mean that that figure will go down by 75%, which will have many consequences. One charity to which I have spoken estimates that it will have to close hostels, leading to the number of rough sleepers in the city rising by up to 500%. Rough sleeping obviously has terrible consequences for the health of the individual concerned, but Newcastle as a whole will also pay the cost. The police, health services, social services and the third sector will all have to focus more resources on those sleeping in the streets, reducing the help available to others—help that supports the health of the city.

There are many similar examples. Will the Minister assure me that she has assessed the impact of the cuts on Newcastle in the broadest sense, and that she is confident that the health inequalities between Newcastle and the rest of the country will be reduced over the term of this Government?

2.7 pm

Mr Robert Buckland (South Swindon) (Con): May I convey my compliments of the season to all Members, and indeed to the staff of the House, who work so hard for all of us?

The reason for my contribution today is my long-standing commitment to the cause of raising the profile and interests of all children and adults who suffer from the lifelong conditions of autism, autism spectrum disorders and Asperger's syndrome. I speak as a parent of a child on the spectrum, and as treasurer of the all-party group on autism.

I wish to urge the Government to refer autism to the National Institute for Health and Clinical Excellence as a key topic for a NICE quality standard, which would cover diagnosis, post-diagnostic support and support for those with co-occurring mental health problems. It

is vital that at the stage when commissioning is handed over to GP consortiums, a national quality standard applies to help local commissioners act appropriately.

The National Autistic Society's recent "You need to know" campaign revealed some startling statistics about children with autism and about child and adolescent mental health services, which are known as CAMHS. Some 71% of children with autism have a co-occurring mental health problem, and last year one in 10 children who used CAMHS had autism—that is more than 10,000 children. However, only one in three parents of children with autism who were surveyed thought that CAMHS had helped them. The problem is that professionals, no matter how dedicated they may be, often do not have enough information and understanding when it comes to meeting the needs of children and young people with autism. It places those people at a disadvantage for treatment in the health service.

There was some excellent news last week in the publication of statutory guidance for adults with autism as a result of the Autism Act 2009, and I welcome the carefully set out guidelines, which have been the subject of proper consultation. They have been strengthened and improved through lobbying by hon. Members and other organisations with a key interest. For example, particular emphasis is placed on the need for local child and adolescent mental health services to develop agreements with adult mental health services about the transition of children with autism who use those services into adult mental health care. We hear a lot about the problems of transition, and I am glad that concrete action is being taken. That will be welcome news for many children and young adults in Swindon and elsewhere.

A further enhancement of those guidelines in the form of a quality standard, together with commissioning guidelines, will increase and improve that provision even more. It has worked elsewhere. For example, for services for children with a learning disability, the introduction of a national indicator, a vital signs indicator and an annual health check all required self-reporting on training needs by the staff in child and adolescent mental health services. By last year, that resulted in almost all CAMHS services—98%; a remarkably good statistic—reporting that they provided specialist learning disability support. However, in sad contrast, only 10% of child and adolescent mental health services reported that they provided targeted autism support.

I accept that NICE is autonomous, but the National Quality Board's prioritisation committee selects the topics for discussion and adoption as NICE quality standards, with referral by Ministers. The Government therefore have a role in being able to refer a topic for the adoption of a quality standard, which is more than a guideline because it builds on the guidelines to provide a framework for professionals. It will also help patients find their way around the system. Further, it will help NHS bodies to assess the quality of the service that they provide. That information, with evidence of best practice, will help commissioners to plan better services for the future.

I am extremely keen for those measures to be adopted at the earliest opportunity. I will revert to them as often as I have to in the new year if the message has not yet got through. I urge the Government to refer the proposals to NICE to help chart a brighter future for the treatment of children and young adults with autism in the health service.

2.12 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): I welcome all the contributions. We have had an excellent run-around of some hon. Members' interests and specific issues relating to their constituencies.

I start with the hon. Member for Worsley and Eccles South (Barbara Keeley). As she rightly pointed out, the Government have recently announced that they will provide additional funding of £400 million to the NHS in the next four years to enable more carers to take breaks from their caring responsibilities. I commend her for her continued interest in the subject. I trained as a nurse and worked in the NHS for 25 years, and the question is now, as it always has been: who cares for the carers? The hon. Lady is right to highlight the problems that carers suffer—the impact on their physical and mental health and well-being, as well as the immense emotional burden that many bear.

The spending review has made available additional funding in primary care trust baselines to support the provision of breaks for carers. The new moneys will go into PCT budgets from April 2011 and into GP consortium budgets from 2013. The 2011 NHS operating framework, which was published on 15 December, makes it clear that PCTs should pool budgets with local authorities to provide carers with breaks as far as possible via direct payments or personal health budgets, which will doubtless ensure some progress.

The new funding is part of a package of measures that we announced in the recently published update to the carers strategy. The next steps set out the priorities for action in the next four years, focusing on what will make the biggest impact on carers' lives. It is important to recognise that the subject is of interest to hon. Members of all parties. I do not think there is division along party lines. The hon. Lady's insight into and knowledge of what is happening on the ground will be important to ensure that future policy and direction is well informed.

Barbara Keeley: Will the Under-Secretary say more about what will happen if PCTs do not spend the money on carers' breaks? The Minister of State, Department of Health, the hon. Member for Sutton and Cheam (Paul Burstow), who is responsible for social care, campaigned in the House when the Labour Government had a similar problem. As I said earlier, the problem is that, according to a survey, only a quarter of the money had been spent on carers' breaks. It is fine to allocate it, but the trouble is getting the PCTs to spend it.

Anne Milton: I thank the hon. Lady for that intervention. She is right to suggest that there can be an intention at Westminster, but the point is ensuring that it is effected on the ground. I will say a little more about that shortly.

We do not believe that a legislative approach is always the way to proceed when requiring health bodies and GPs to identify patients who are carers or have a carer and refer them to sources of help and support. Indeed, often it is not. We feel more comfortable with that as a weapon, but it does not necessarily produce the result that the hon. Lady wants.

It will be for PCTs and subsequently the GP consortiums to decide their priorities in the light of their local circumstances. However, we believe that GPs and their

[Anne Milton]

staff will play a vital role in identifying carers; many carers have not yet been identified. That is why we are investing £6 million from April 2011 in GP training, which will mean that more GPs and their practice teams gain a better understanding of carers and the support that they may need. That is important.

I believe that GPs are much better placed truly to understand the value and needs of carers. I do not need to tell the hon. Lady that the considerable social, human and, indeed, financial value that carers offer cannot be overestimated—she is aware of that. However, centrally driven methods are not always the best way forward. I welcome her continued feedback to ensure that we get the money spent where it is needed most.

Let me deal now with the speech made by my hon. Friend the Member for Colne Valley (Jason McCartney). I take the opportunity to pay tribute not only to midwives but to all the staff who will be working to deliver babies safely into the world, while we are enjoying our turkey or whatever we choose to eat on Christmas day.

The Government are committed to devolving power to local communities—to people, patients, GPs and councils—which are best placed to determine the nature of their local NHS services. I pay tribute to my hon. Friend for raising the matter previously and for continuing to raise his constituents' concerns.

The Government have said that, in future, clinicians and patients must lead all service changes, which should not be driven from the top down. To that end, the Secretary of State has outlined new, strengthened criteria that he expects decisions on NHS changes to meet. They must focus on improving patient outcomes, consider patient choice, have support from GP commissioners and be based on sound clinical evidence. I think that that was what my hon. Friend was getting at.

The Department has asked local health services to consider how continuing schemes meet the new criteria. Some will be subject to further review. That does not necessarily extend to reopening previously concluded processes, as in Huddersfield—I would not like to lead my hon. Friend down an alley—or halting those that have passed the point of no return, with contracts signed and building work started. However, NHS Yorkshire and the Humber has advised that the decision to implement the looking to the future programme and change in maternity services in Huddersfield was clinically driven, with strong emphasis on patient safety and quality of care. It was also made after considerable scrutiny and consideration, including a formal period of public consultation and advice to the then Secretary of State for Health from the independent reconfiguration panel, whose recommendations were endorsed in full. However, I know that my hon. Friend will continue to gather local evidence and experience and feed it back, which I welcome.

Let us look at the problem described by the hon. Member for Blaenau Gwent (Nick Smith). I disagree with much of what he said. We have a bold public health strategy for the first time, and it has been widely welcomed. He should not believe everything he reads in the newspaper—it could lead him into all sorts of misapprehensions. The Government alone cannot improve public health; we need to use all the tools in the box.

The hon. Gentleman should note that health inequalities grew, rather than decreased, under the previous Government. There are massive opportunities to improve public physical, mental, emotional and spiritual health and well-being in England. As he rightly pointed out, we have some of the highest obesity rates of any country in the world. People living in the poorest areas die on average seven years earlier than people living in richer areas, and they have higher rates of mental illness, disability, harm from alcohol, drugs and smoking, and childhood emotional and behavioural problems. Changing people's lifestyles and removing health inequalities could make double the improvement to life expectancy that we could make through health care, so we must address public health.

The Government published our strategy in our White Paper "Healthy lives, healthy people". We will establish Public Health England, a national public health service, return public health leadership to local government, and strengthen professional leadership nationally by giving a more defined role to the chief medical officer, and locally through strong and inspirational leadership roles for directors of public health.

Historically, all the big public health improvements came via local authorities, and I am convinced that returning public health responsibilities to local authorities will achieve what we need, which is social and economic change as well as health change.

Nick Smith *rose—*

Anne Milton: I am happy to give way.

Mr Speaker: Order. The Minister is of course welcome to take the hon. Gentleman's intervention, but she still has a few contributions to respond to, and we need to make some progress.

Nick Smith: I welcome the proposal to ask local authorities to take responsibility for public health—in the round, that is a good thing—but will they get the resources to do that job?

Anne Milton: Thank you, Mr Speaker. I am afraid that I got rather carried away with this new-style debate, but I am mindful of the time.

For the first time, public health spending is ring-fenced. Public health interventions have been cut because of spending by PCTs, so it is really important to ring-fence such funding. The Government will focus on outcomes that are meaningful to people and communities. We published proposals for a public health outcomes framework yesterday for consultation, to which I am sure the hon. Gentleman would like to respond. I hope I have reassured him that the Government are taking the action necessary to improve the public's health. I would be happy to discuss that with him in more detail another time, and perhaps to correct some of the myths that he believes. Nothing is ruled out. We will do everything we need to do to improve the public's health, but we must use all the tools in the box. We cannot improve public health by Government intervention alone.

My hon. Friend the Member for Suffolk Coastal (Dr Coffey) raised the issue of integrated drug treatment systems for prisons that aim to increase the volume and quality of treatment available to prisoners. I welcome

her involvement in her local prison. Such systems also aim to improve integration between clinical counselling, assessment, referral and through-care services, and to reinforce continuity of care when prisoners are released into the community.

The Government must reshape drug treatment to focus on recovery and to improve the continuity of treatment in the community following release. Abstinence is where we need to go. As outlined in the Ministry of Justice Green Paper on sentencing reform and rehabilitation, and in accordance with the much more outcome-focused approach announced in the new drug strategy, a payment-by-results approach to commissioning drug treatment for prisoners on release will be trialled in two areas. Recovery wings will be trialled in four prisons, with an emphasis on offenders receiving short custodial sentences, who therefore require a co-ordinated approach from prison and community. The combining of prison drug budgets with the combined drug interventions programme and a community-pooled treatment budget will allow for great flexibility, which is what we need in configuring services. To my mind, we have failed adequately to address drug abuse and prisoner addiction, and in turn failed our communities. We have not spent much-needed resources well.

I probably answered many of the points made by the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) in my answer to the hon. Member for Blaenau Gwent on public health more generally. My husband's family are all from Hartlepool. The hon. Lady was right to raise the issue of health inequalities. "Healthy lives, healthy people" underlines the priority that we are giving to tackling inequalities and supporting the principles of the Marmot review. We are focusing on the health and social needs of disadvantaged groups and areas, including on how money is allocated to local communities for public health interventions.

Despite the fact that the previous Government doubled health funding, as the hon. Lady rightly said, health inequalities got worse. I do not think that that was because of a lack of commitment on Labour's part. It is extremely difficult to tackle health inequalities head-on, which is why our White Paper is so widely welcomed. The action outlined in that paper will reduce those truly shocking health inequalities.

It is important to recognise that this is not just about the money that is spent, but about how it is spent. I welcome the hon. Lady's non-partisan comments about the previous Government's record. For the first time, we are consulting on public health and ring-fencing money, and I believe that we can make a real difference.

The last Back-Bench contribution was from my hon. Friend the Member for South Swindon (Mr Buckland) on autism. I should like to take this opportunity to pay tribute to the parents and carers—young and old—who care for children and adults with autism. For some, that is a considerable burden that we should not underestimate. The National Institute for Health and Clinical Excellence is currently developing three autism clinical guidelines. The recognition, referral and diagnosis of autism guidelines are scheduled to be published in September next year; the diagnosis and management of autism in adults guidelines are scheduled to be published in July 2012—that might feel a long way off, but it is coming—and the management of autism in children and young people was referred to NICE by Ministers in November this year.

I pay tribute to my hon. Friend for his interest in autism, which has been discussed on many occasions in the House since I became a Member. There is no doubt that the expertise and input of people like him—people who have personal experience—is crucial in ensuring that we get the right policies that can have an effect on the ground, including in his constituency. His expertise and that of other hon. Members is critical.

Mr Speaker, I apologise for going beyond my allotted 10 minutes, but I wish you and all the staff of the House a very happy Christmas. I thank them for all their support this year and wish them well for the next.

EDUCATION

2.28 pm

Lilian Greenwood (Nottingham South) (Lab): May I take this opportunity to wish you a very merry Christmas, Mr Speaker?

I understand that the pre-Christmas recess Adjournment debate was often a cheerful occasion. Unfortunately, the scrapping of the education maintenance allowance does not lend itself to festive cheer. In fact, it has much more of the Dickensian Christmas about it. Perhaps the House can imagine the Minister trudging back to his Department through the snow and sitting in his office, where he is visited by the ghosts of Christmases past, present and future.

In Christmas past, the jolly folk of the Department for Children, Schools and Families invested in young people. There were rosy cheeks and smiling faces as extra teachers and teaching assistants were employed to work in brand new school buildings up and down the country. What would the ghost of Christmas present reveal? If he took the Minister on a journey to Nottingham, he would see more than 4,000 learners in receipt of EMA worrying about their futures. Half of them might be aware that the Government's cuts mean that if they want to go on to university, they can expect to end up with debts of £30,000 or £40,000 when they graduate. They might also have seen last month's increase in the number of 16 to 24-year-olds out of work, which took the youth unemployment total to 943,000 — almost 20% — and one of the highest figures since records began in 1992. The other half might be wondering how they will manage the second year of their course once the EMA is withdrawn, and how they will cope without this essential help with the cost of travelling to college and with materials, books and lunches.

The Minister might also see Malcolm Cowgill, principal of Castle college in Nottingham, writing to his local MP to say:

"I believe that the Department for Education has made the wrong decision, that disadvantaged young people in Nottingham will suffer as a result of this decision, and that Ministers' ambitions to raise the participation age to 18 will fail. I am concerned students will continue to enrol but the extra burden of earning additional money will mean more students withdraw mid-course and do not achieve their aims."

Mr Peter Bone (Wellingborough) (Con): The hon. Lady makes a powerful argument, but would it not be better to concentrate the support on the 12% who say that they would not continue in education if they did not get the EMA, rather than spread it out among all young people?

Lilian Greenwood: The vast majority of those who receive EMA receive it at the highest level and are from the most disadvantaged families. They need that extra money. Whether they would stay in education or not, it is an important part of supporting them while they continue with their studies.

The Minister might also see my young constituent Kyle Simpson, a talented swimmer who is training for 22 hours a week, before and after college and competing at weekends, emailing his MP to say:

"My mum needs all the money she can get for my training fees. Education Maintenance Allowance really helped me and gave me an incentive to be at college and do my best. Now I don't know what to do".

The Minister might see New college in Nottingham, which has found that the EMA has increased participation, reduced the drop-out rate by 9% and seen success rates 8 % higher among those who receive it. The college concluded that without help to fund their travel, many learners would not be able to stay in further education or choose the course that was best for them. He might also hear the college's principal Geoff Hall, who says:

"Education maintenance allowance has not only helped participation, it has also improved success. Surely this is too big a step, surely it should be phased so that we can take time to measure the impact?"

And what of Christmas future? If the Business Secretary does not bring down the Government, it could look very bleak indeed, including reduced social mobility, especially among those from ethnic minorities or one-parent families; fewer young people going on to further education or successfully completing their courses; and even higher youth unemployment, meaning another lost generation without the skills and education needed to secure the jobs of the future. Of course, it is not too late. Just as Scrooge realised the error of his ways, the Minister could still change his mind. After all, the Prime Minister has done so on school sports funding. The Minister can still decide not to decimate support for the most disadvantaged. I hope he will take the opportunity to spread a little Christmas cheer and agree to think again about this unfair, unproductive and unnecessary cut.

2.33 pm

John Hemming (Birmingham, Yardley) (LD): May I wish you a merry Christmas, Mr Deputy Speaker?

I rise on an issue that continues to concern me greatly. I repeat my declaration of interest that I chair the justice for families campaign. I am sure that Members on both sides of the House wish to see the best possible outcomes for children who enter the care system. In trying to improve this, Tony Blair encouraged adoption, but made a big mistake along the way in miscalculating the percentage of children adopted from care.

Before I go any further, I should be precise about what I mean by "care". When I say "in care", I do not include those children voluntarily in care under section 20 of the Children Act 1989. In 2005, for example, 8,600 children left care and 3,400 of those left through adoption. That is 39.5%. If I could get the Department to analyse the figures by age, it would be clear that the majority of young children are leaving care through adoption. In Scotland, however, only 17% of the children who left care in 2009 aged under five left care through adoption. I accept that this includes a broader category, but if we take the numbers and uprate them for population size, we see that England has a rate of adoption from care in excess of 50% more. That is more than 1,000 children a year in England who are adopted rather than returning to their parents.

It appears that the substantial shift, which was a result of the previous Government's pressure on authorities to increase the number of adoptions, was that children left care through adoption rather than returning to their parents. I see this in terms of individual cases where the

judgments at times defy reason. It can also be seen very clearly when comparing practice in Scotland with that in England.

The Department has refused to provide many figures about the English system although some are now trickling out. When the adoption targets came in, there was a net flow into care. That would imply that the adoption pressure did not result in additional children leaving care, but instead caused the destination to change. Because the adoption target was miscalculated, there has been a general belief that adoptions from care were only a low percentage. An article written by Alan Rushton in 2007 about adoption from care states:

"Nevertheless, it would be wrong to think that any wholesale moving of children from birth families into adoptive families is taking place. Adoption from care concerns just a small proportion (6%) of all looked after children in England."

That is clearly a misunderstanding of the situation. The Department was reporting 6% for a figure that, properly calculated, was more like 40%.

The concentration on adoption also means a lack of child protection. Peter Connolly died in August 2007, but nothing much changed until the criminal prosecution in 2008. Some 7,400 children were taken into care to the end of March 2008, 8,200 in 2009 and 9,500 in 2010. However, often the wrong children were taken into care and more babies were suspected to have died from child abuse in calendar year 2009 than in calendar year 2008. In 2008, the figure for England alone was 47 babies and 97 other children. In 2009, that increased—notwithstanding the increase in numbers of children taken into care—to 75 babies and 111 other children. There are two sides to this problem and both are unacceptable. Although the adoption targets and financial incentives were scrapped from 1 April 2008, the practice is still skewed by the pressures that gave rise to the initial changes.

The children themselves are asking why their families have been split up. There was a meeting recently in the House, attended by the Minister of State with responsibility for children and families, at which a girl asked why her sister had been adopted and she had been banned from seeing her. Additionally, as children such as Winona Varney and Tammy Coulter get older, they are acting to reverse the adoptions.

The aggressive way in which the courts have gone after families has created many refugees from the UK—mainly from England although there is one from Scotland. Susen McCabe, Kiel and Lucille O'Regan, Fran Lyon, Kerry and Mark McDougall, Sam Thomas, Emily Burgess, Sam and Vanessa Hallimond and Angela Wileman are only a few examples for whom emigration was necessary to fight the system. Sam Thomas made the mistake of coming back to England—Somerset—and her daughter has now been put up for adoption.

At the same time, the rights of mothers such as Rachel Pullen and Husan Pari to even contest their own cases are removed on the basis of expert reports saying they are too stupid but which are later found to be in error. However, the Court of Appeal passes these cases through on the nod. False allegations of satanism and Munchausen's syndrome continue to be accepted by the courts without a legal right to a second opinion. Dr Fintan Sheerin, Professor Mary McCarron, Professor Cecily Begley and Dr Jo Murphy-Lawless from Trinity College, Dublin wrote to me recently asking why these cases still happen in countries that pride themselves on respect for human rights. My answer was that the courts do not always properly follow the law in hearings that are held in secret where people get imprisoned in secret for complaining about injustice.

All this is in fact inhumane. Given time, the European Court of Human Rights may point this out. However, I hope that the Government will respond to this more quickly. More work on analysing the SSDA903 return is needed. It is not acceptable to use the code "other" for something as important as this.

Journalists such as Christopher Booker, Camilla Cavendish, Sue Reid, Denise Robertson, Daniel Foggo and many more have raised concerns about how the system is a machine for miscarriages of justice, but it keeps steamrolling over families and children. Many of the families affected will be lighting Chinese lanterns as a protest on Christmas eve at 10 pm. They will include Phil Thompson, whose great-grandchildren were put up for adoption for no good reason by Walsall council.

Bill Esterson (Sefton Central) (Lab): I am grateful to the hon. Gentleman for giving way, and it might give him chance to catch his breath as he seems to be in a great rush. I do not wish to detract from the serious cases that he mentions, but does he recognise that in many cases in which children are adopted from care it is because of the serious problems in their families and the neglect and abuse that they have, sadly, suffered?

John Hemming: I thank the hon. Gentleman for that intervention. There is a need for a care system, but it has to get things right. One of the reasons children are often taken into care is that the mother has been a victim of domestic abuse. Women's Aid argues that we should protect the mother and child and keep them together, rather than say, "Oh, you as a mother have been a victim of domestic abuse. We are taking your child."

This morning or late yesterday, I received an e-mail about Kirsty Seddon's case in Oldham. She was brought up in care and essentially that has been used as an excuse to remove her child. Luckily, the European Court of Human Rights is taking the matter seriously, and has now written to the UK Government asking them to comment on the admissibility of her case. There is a fair chance that, whereas this has gone through the UK courts on the nod, it will end up being picked up by the ECHR.

Even if the Government fail to do something, Parliament should be able to act to identify what is going on. Things happen that defy reason, which is why people have to emigrate to get away from the system. I will not rest until Parliament or the Government act to stop these miscarriages of justice. Sadly, the family justice review does not seem to recognise the true situation. The Munro inquiry seems to have a better focus, but both inquiries are hobbled by not having enough members who are not part of the system. We have the usual "quis custodiet" question when the people who are substantially part of causing the problem are being asked to correct a problem that they themselves do not recognise exists. That needs to change.

2.40 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I am incredibly grateful for the opportunity to speak in this debate, and wish to raise the pressing issue of the

[Luciana Berger]

scrapping of the education maintenance allowance, which will be reduced under the replacement scheme—the enhanced learner support fund—to a paltry 13% of its current funding.

I have been overwhelmed by the correspondence and representations I have received from young people, their families and teaching staff decrying the Government's decision. We keep hearing from the Government that nine out of 10 students would still continue with their further education without EMA. It is incredibly frustrating to hear these figures continually being trotted out because the study that this premise is based on is flawed: it asked only young people who study in school sixth forms, rather than those in further education colleges, which the majority of EMA recipients attend. Furthermore, the students polled came predominantly from white backgrounds, which does not reflect the true national make-up of the learners who receive vital EMA support.

I met a number of different student groups in Liverpool on Friday, and I asked them whether they would have started their courses without the EMA. Unsurprisingly, they said that although they would have tried, they would not have been able to afford it. Every young person I spoke to said that they put their EMA towards their travel costs, which were anything between £2 and £4.50 a day, with some students travelling up to two hours a day to attend college. They spent the remainder of their £30 a week on lunch, stationery and materials for their courses.

On a visit to the university of Liverpool, I spoke with some final-year modern language students. I met a young person called Danielle, who said that she would never have gone to college without her EMA—and if she had not gone to college, she would never have gone to university. Now, however, Danielle is about to graduate with an excellent degree and has a bright future ahead of her. The evidence from Liverpool community college about the benefit of EMA, in stark contrast to the flawed study the Government keep referring to, is that the retention rate is 5% higher for those receiving EMA than for those who do not receive it. There is a lot of similar evidence from colleges up and down the country, and at the end of today's sitting I will present a petition collected from Liverpool community college and signed by 2,500 young people and teaching staff from across Merseyside. I share their concerns that the Government's plans to remove EMA will have dire consequences on post-16 education in the Merseyside city region.

I have four questions for the Minister. First, why have the Government broken their pre-election pledge to keep EMA? Secondly, will the enhanced learner support fund cover students' travel costs—a vital element of how the EMA is used? Thirdly, may we have a definitive answer on what will happen to students who have started their first year at college on the understanding that they will receive EMA throughout their course? Will they continue to receive it in their second year? Finally, according to the Government's own figures, 76,000 young people stay on in further education because of EMA, saving the Government more than £4 billion on young people not in education, employment or training. How do the Government reconcile those figures with their continued reference to "dead-weight"—a term that many people have found incredibly offensive?

EMA offers so many young people from low-income households the opportunity to study without financial strain, and in many cases that can make the difference between a student achieving at college and not. The loss of EMA will damage our country's economic future and is yet another betrayal of young people, in addition to many of the measures introduced over the past couple of months, whether on tuition fees, the loss of the future jobs fund and so on—the list goes on. I urge the Government to reverse their decision to abolish EMA.

2.45 pm

Bill Esterson (Sefton Central) (Lab): The abolition of the education maintenance allowance is one of the issues that have caused greatest concern in my constituency. One of my constituents from Thornton wrote to me to say that he has signed the petition in the name of my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger). He wrote:

"I am writing to you in my capacity as an employee of a large FE establishment in North Liverpool"

and as one of my constituents. He continued:

"I have recently become increasingly alarmed at the ConDem's plans to scrap Educational Maintenance Allowance for FE students. Given recent developments in the HE sector and last week's student protests in London, it would seem that scrapping of the EMA is simply another plan to further undermine the education sector as a whole and, in many cases, to deprive learners of their right to an education. Although the abandonment of the EMA may have a lesser impact in more affluent areas, its effects will be felt much more in areas such as your constituency where an above-average number of learners are indeed in receipt of EMA. The ConDem's plans to 'bolt on' a much lesser amount to the Discretionary Learner Support Fund will of course minimise the number of learners in receipt of financial assistance, and learners may be faced with finding other means of supporting themselves, and I have no doubt that some of these means may be less than legal."

Barbara Keeley (Worsley and Eccles South) (Lab): My hon. Friends are making a good case for the education maintenance allowance, but does my hon. Friend share my concern about young carers? College principals might not even know that some of their students are young carers, who need the incentive that EMA can give them to keep attending and to struggle on with their caring work load as well as their education.

Bill Esterson: Young carers are one of a number of vulnerable groups for whom EMA is especially important, and its loss would hit them and those who depend on them particularly hard. I hope that the Minister will consider that point among others.

My constituent told me that some of the means by which students will support themselves might be less than legal. He said that that was

"an opinion that I have heard in person on more than one occasion from students themselves".

I have also heard similar comments about the potential of drug dealing as a source of income for students who

lose EMA. I thought his was a balanced and responsible view of the impact of EMA from a member of staff with much experience.

The principal of Hugh Baird college in south Sefton, Jette Burford, also wrote to me saying that 84% of young people at the college currently receive EMA; that there is a clear indication that it has become a key part of the family income for those families; and that its discontinuation is very likely to impact on the participation rate locally. Ms Burford mentioned both the impact of losing the EMA on participation and attainment, and the fact that many students depend on it for help with their transport. When she wrote to me she did not know that Sefton students were likely to lose their free travel passes because Merseytravel has had its budget cut by two thirds.

EMA is essential for many students from low and middle-income families when it comes to travel, books, equipment and food, and its loss will make it very difficult for students to continue to study. EMA is a means-tested allowance of between £10 and £30 per week. Some 635,000 learners received at least one EMA payment in 2009-10, and about 80% of those received the full £30. That means that the people receiving the £30 come from low-income families on less than £20,800 per year. The loss of EMA for students from such low-income households will create a big hole in family incomes, which college principals have commented on.

EMA was introduced by the previous Labour Government to help with the cost of books, travel and equipment, and payments are made on the condition that students attend classes regularly. The evidence from colleges is that the incentive to turn up on time has worked well, and the evidence in Merseyside is that those on EMA outperform by 7% those who are not in receipt of it. Research by the Institute for Fiscal Studies gives a similar result.

The Department for Education is stopping new EMA at the end of this month, before it has alternative arrangements in place. The Department plans to stop paying the EMA in July 2011 to existing 16 to 18-year-old students who will be halfway through their courses. That means that EMA will be completely gone by July 2011—an unseemly rush. EMA has been widely credited with helping to create a big increase in the number of young people going on to college in the last seven years. The IFS revealed that EMA increased the proportion of 16-year-olds in full-time education by 4% and the proportion of 17-year-olds in full-time education by 7%.

Lyn Brown (West Ham) (Lab): I am sure that my hon. Friend is aware that Newham sixth-form college in my constituency has the largest percentage of students receiving EMA. When I spoke to those at the college last week, they informed me that, in order to stay on at school, many students just handed the £30 a week to their families.

Bill Esterson: My hon. Friend makes an extremely important point about the impact on family incomes, not just on the incomes of individual students.

The Association of Colleges continues to make it clear to Ministers and MPs that it thinks that the decision to abolish EMA will have a detrimental effect on recruitment, retention and achievement among 16 to 18-year-olds. A number of trade unions are also worried that axing EMA will mean that colleges are hit by further funding cuts—cuts that will put even more college jobs at risk. The coalition argues that 90% of the cost of EMA is "dead-weight", but as my hon. Friend the Member for Liverpool, Wavertree said, that is an offensive statement to many students. It implies that students would have gone on to study without EMA. That claim does not stand up to scrutiny. Research by 157 large colleges and other, smaller colleges shows that students who receive the EMA have better attendance records and are more likely to complete courses than wealthier students who are not eligible for support. That research was published in *The Times Educational Supplement* on 3 December. Despite coming from the poorest families and, in some cases, having low qualifications, EMA students miss fewer classes and are more likely to stay in education than wealthier students. The IFS has confirmed that the costs of EMA are completely offset by the benefits, even taking into account the so-called "dead-weight" effect.

EMA has been a big success for students and the economy. It has improved the life chances of many, from low or middle-income families. EMA has improved this country's skills base, because of the improved results among students receiving it, and has increased access to university for many, many students. The case for abolition is flawed, as it will see a cut in attendance that will not be addressed by the enhanced learner fund. As one college principal said to me, there is no way of knowing which students would stop attending and which would carry on if EMA was withdrawn. A review of EMA would be one thing; its abolition quite another. The coalition needs to withdraw its plans and it should continue with the widespread support for our young people that EMA promotes.

2.53 pm

The Minister of State, Department for Education (Mr Nick Gibb): Let me start by congratulating my hon. Friend the Member for Birmingham, Yardley (John Hemming) on getting so much into such a short speech. I know that he has a long-standing commitment to family justice, and it was clear from his speech that he shares the coalition's commitment to ensuring that children in this country are able to enjoy safe, happy and carefree childhoods—an ambition that is shared across the House, as is our desire to give every child the chance to achieve to the very best of his or her abilities. In responding to my hon. Friend's excellent speech, I want first to make the point that this Government recognise the importance of keeping families together. The law is clear: children should live with their parents wherever possible and, where necessary, families should be given extra support to help keep them together.

John Hemming: The difficulty is that it does not appear that the law is being followed. Will the Department establish an ombudsman scheme to review individual cases and see why the law is not being followed?

Mr Gibb: I know that my hon. Friend is meeting our hon. Friend the Under-Secretary of State for Education on 12 January, and I am sure that he can raise that with him at that meeting.

[Mr Gibb]

In most cases—indeed, the vast majority of cases—the extra support enables children to remain with their families. However, we are equally clear that there has to be balance in the system, so that where a child is suffering or at risk of suffering significant harm, the local authority has a statutory duty to take action to safeguard and promote the child's welfare. However, it is important to remember that local authorities cannot remove children from their parents' care—unless it is with the parents' consent, of course—without first referring the matter to a court. Similarly, local authorities cannot—again, without the parents' consent—place a child for adoption with prospective adopters without a placement order made by a court. Needless to say, adoption can be a highly emotional time for the child, the parents and those adopting, but we know that outcomes—certainly in educational attainment and health—are as good for children who are adopted as they are for children growing up with their birth parents.

John Hemming: Given that about a quarter of adoptions are disrupted, and the children are returned to care, does my hon. Friend take on board the point that any statistical test of the effect of adoption should include the effect on those for whom it fails?

Mr Gibb: The figures are based on comparing the overall statistics for children in care with those for children who are adopted.

Although we recognise that adoption will be suitable for only a relatively small number of children, it is none the less important that we get things right and help more children who need adoption to find secure and happy homes with adoptive parents. We believe that one of the best ways of achieving that is through more collaborative working with voluntary adoption agencies, so that adoption services are enhanced and families are found for the most difficult-to-place children. We also want to see improvements in adoption practice, particularly in the matching of black and minority ethnic children with prospective adopters. Race should not be a barrier to a successful placement. What matters is a loving and stable family environment. That is why my hon. Friend the Under-Secretary has written to all directors of children's services and lead members to ask them to do everything possible to increase the number of children appropriately placed for adoption, and to improve the speed with which decisions are made.

John Hemming *rose*—

Mr Gibb: I will give way to my hon. Friend a final time.

John Hemming: The Minister said that adoption is suitable only for a small number of children. The difficulty is that a majority of under-fives in care are adopted.

Mr Gibb: I am not sure whether those statistics are right, but, again my hon. Friend can take that up with the Under-Secretary at his meeting. My hon. Friend the Under-Secretary has set up a ministerial advisory group on adoption, to provide expert advice on a range of practical proposals to remove barriers to adoption and reduce delay, but I understand the concerns that my hon. Friend the Member for Birmingham, Yardley has raised.

Bill Esterson: The Minister made an important point about the involvement of voluntary sector agencies in adoption—indeed, I have been pleased with all his comments on the subject. However, does he accept that it is important to ensure both that proper financial resources are in place for the adoption process and that no short cuts are taken? That is where things can go horribly wrong.

Mr Gibb: Of course financial resources are always important, but the hon. Gentleman must appreciate the financial circumstances in which we find ourselves. That was noticeably lacking both from his speech and those of his hon. Friends.

I understand the concerns of my hon. Friend the Member for Birmingham, Yardley. We need to ask hard questions about child-protection arrangements and court processes. That is why we have the review by Professor Munro, which is looking at safeguarding, front-line practice and transparency. I listened to my hon. Friend's speech carefully. We are concerned that the number of children in care adopted in the past year has decreased by 4%, to 3,200. The real question that we should be asking is not whether too many children or, indeed, too few are in care, but simply whether the right children are in care. I know that my hon. Friend the Under-Secretary is extremely concerned that, by not understanding that point, we risk undermining the work of the many excellent professionals on whom we rely to keep vulnerable children safe—or, worst of all, that we risk damaging the chances of many children who would greatly benefit from a second chance of a stable family upbringing.

I would like to turn to the points raised by the hon. Members for Liverpool, Wavertree (Luciana Berger), for Sefton Central (Bill Esterson) and for Nottingham South (Lilian Greenwood). The speech by the hon. Member for Nottingham South took the theme of "A Christmas Carol", and perhaps if the previous Government had learned a little from the accounting techniques of Ebenezer Scrooge, this country might not now have the worst budget deficit of all the G20 countries. I listened carefully to the hon. Members, but not one suggested how we should try to find £0.5 billion of savings from the public sector, let alone the £81 billion for the structural deficit that we have to close.

We face an unprecedented budget deficit, under which we are spending £156 billion a year more than we receive in tax revenue, and a global economic environment in which the sovereign debt of nations running unsustainable deficits is leading to major financial crises for those countries. Those crises are preventing and delaying economic recovery, and we do not want this country to be in that position. Every element of public spending is therefore subject to scrutiny, and programmes that cost £0.5 billion a year cannot be exempt from that scrutiny.

We need to ensure that the young people who need support to continue their education receive it. In the current climate, however, those who need it cannot be regarded as 45% of the whole cohort, and the money needs to be better targeted. That is why we are introducing a different system of student support that will allow schools and colleges to provide help to those young people who genuinely need it in order to stay in education.

The education maintenance allowance has been in existence for about six years, having been rolled out nationally in 2004 following a pilot. In its early years, it was successful in raising participation rates among 16-year-olds from 87% in 2004 to 96% this year. As a consequence, attitudes among 16-year-olds to staying on in education have changed. When the National Foundation for Educational Research questioned recipients of EMA, it found that 90% would have stayed on in education regardless of whether they received the allowance, although the £30 a week received by the majority of EMA recipients is a helpful sum for a young person.

Lilian Greenwood: Does the Minister accept that, even if 88% of young people would have stayed on in education anyway, the EMA encourages better attendance and allows learners to enjoy more study time, because they do not need to take on part-time work? It has therefore been important in improving the success rates for that disadvantaged group.

Mr Gibb: The hon. Lady might be right about that disadvantaged group, but we are talking about 45% of all young people of that age. It is an expensive programme to target nearly half of that age group in schools and colleges.

Barbara Keeley: I made a point earlier about young carers. I fail to see how a discretionary fund can help when young carers are so hidden. College principals and head teachers often do not know when their students are also carers, so how will they know how to target the funding? They will not.

Mr Gibb: The hon. Lady raises a wider issue about young carers. The coalition Government are concerned about young carers generally, not just in sixth forms and in colleges but in schools, and we are identifying those young people to ensure that they have the support and help that they need. When they attend college and seek help, however, the funds should be targeted at those who are in genuine need, including young carers.

In reaching the decision to reform the system, we were concerned that the 10% of recipients who according to the evidence would be put off from staying in education but for the money from the EMA might then drop out of education. We felt that a payment designed as an incentive to participate was no longer the right way to ensure that those facing real financial barriers to participation got the support they needed. So we decided to use a proportion of the £560 million to increase the value of the discretionary learner support fund. Final decisions about the quantum of that fund have still to be taken, but we have spoken of up to three times the current value of the fund, which now stands at £25.4 million.

A fund of that size would, for example, enable 100,000 young people to receive £760 each year, and 100,000 students is about 15% of the number of young people currently receiving EMA, which is more than the 10% about whom we are particularly concerned might not stay on in education. The £760 is more than the average annual EMA of £730 paid in 2009-10, and only slightly less than the £813 paid to 16-year-olds receiving the full £30 per week. We have not yet decided, because we are still consulting on it, how the money will be paid, to whom and for what purposes.

Luciana Berger: Liverpool community college currently pays out £1.7 million in education maintenance allowance to 90% of its students, who are in receipt of the full £30 a week because their household incomes are less than £20,800. In addition, the college disbursed £192,000. If the Minister is saying that he will multiply the current figure by three, that is still only a fraction of what goes to those most deprived households at the moment. How on earth is that going to help those students who desperately need help to get to college, to eat and to pay for the materials that they need to do their courses?

Mr Gibb: By definition, if students at that college constitute the 15% most deprived young people, in terms of their access to income, they will receive more than the amount the hon. Lady says is currently being received by the discretionary learner support fund.

To help schools and colleges to administer the fund, and to ensure that those young people who really need support to enable them to continue their education or training post-16 get access to the new fund, we are working with schools and colleges, and with other key organisations such as the Association of Colleges, Centrepoint, the Sutton Trust, the Association of School and College Leaders, the National Union of Students and the Local Government Association to develop a model approach that schools and colleges can choose to adopt or adapt, to inform them how to distribute the funds, and to whom.

Bill Esterson: The Institute for Fiscal Studies is clear that, even taking into account the deadweight effect of the 12% who might carry on attending without EMA, the costs of the scheme are outweighed by the benefits. I quoted a college principal in my speech, and colleges are clear that they will be unable to work out who would stop attending if EMA were withdrawn. I would therefore be interested to hear from the Minister how the new system is going to work. He says that he is talking to the colleges, but how will he ensure that the new fund reaches the right students?

Mr Gibb: On that last point, the colleges are already experienced in administering the learner support fund. We are simply increasing the value of that fund, and the same college principals and head teachers will be administering it. We are talking about a significantly higher sum, however, and we will allow more discretion in the disbursement of the money, which is why we are talking to the Association of Colleges and others about how to administer it more fairly. Also, 5% of the fund will be available to cover the cost of administration.

The hon. Member for Sefton Central talked about the IFS research, as did other hon. Members. The IFS study says that the cost of the EMA scheme would have been recouped in the long run by helping to raise wage levels as a result of higher staying-on rates. I understand that argument, and I do not disagree with it. However, the IFS, in evaluations carried out with the Centre for Research in Social Policy, has previously said that EMA would increase participation by 4 percentage points, and up to 9 percentage points for young people from

the poorest backgrounds. So the IFS's own findings are consistent with the Department's findings, and with the NFER's conclusion that 90% of young people receiving EMA would have continued in education regardless of the payments. For those who really do need help to participate in post-16 education

Mr Bone: On a point of order, Mr Deputy Speaker. I understood that Ministers would take approximately 10 minutes to respond in this debate, because this is Back Benchers' time, not Ministers' time.

Mr Deputy Speaker (Mr Lindsay Hoyle): The House is well aware that we have tried to keep Ministers to 10 minutes, but we have now drifted over the 15-minute mark. I am sure that the Minister will have taken that on board, as he now comes to the end of his speech .

Mr Gibb: I apologise to my hon. Friend the Member for Wellingborough (Mr Bone) and to the House. I have probably taken too many interventions. I just want to cover one more point before I finish, and that is the point raised by the hon. Member for Liverpool, Wavertree about transport.

Local authorities have a statutory duty to ensure that no young person in their area is prevented from attending education post-16 because of a lack of transport, or support for it. If that duty is not being met, young people and families need to raise it with the local authority. Young people were never expected to use a significant proportion of their EMA to cover transport costs. Under the current arrangements for discretionary support funding, it cannot be used routinely for transport to and from college because local authorities have that statutory duty. However, we will consider introducing flexibility to that restriction as we develop the arrangements for enhanced discretionary learner support funding.

In today's economic climate, we have a particular duty to ensure that we continue to invest where investment is needed and to obtain the best possible value for taxpayers' money. In those circumstances, it is difficult to justify spending over £560 million a year on an allowance when 90% of its recipients would have stayed in education without it. That is why we have thought again about the most effective way of helping the most vulnerable young people to stay in education.

I wish all Members, and officials from the Department, a very good Christmas and a successful new year.

TREASURY

3.10 pm

Fiona Bruce (Congleton) (Con): Thank you, Mr. Deputy Speaker, for giving me the opportunity to highlight the need for a more co-ordinated approach to the teaching of financial capability to ensure that no young person leaves school without the benefit of that critical life skill.

Financial capability can be briefly described as the ability to manage one's own finances and to become an informed consumer of financial services. Some excellent work is being done in schools, and I shall refer to it shortly, but more needs to be done. The delivery of financial education in schools is patchy, as there is no requirement to provide it. My son Samuel will leave his excellent school in a few months' time without having received a single lesson in financial education, although the term PHSE stands for "personal, health, social and economic education".

Before I go into more detail, let me emphasise that I am a proponent of prevention rather than cure, and that I recognise the vital effort that goes into counselling people out of debt. However, I believe we have a problem that a co-ordinated approach to financial literacy will do much to alleviate. All Members are aware of the high levels of personal debt and the untold stress that much of it causes. Each day a staggering 372 people are declared bankrupt, and citizens advice bureaux are currently dealing with some 9,400 new debt problems every working day. A recent survey by another highly effective debt advice organisation, Christians Against Poverty, showed that 74% of its clients had visited a GP while suffering from stress and other medical problems caused by debt.

I have had 20 years' experience of running a law firm, and during that time the biggest single cause of marital discord among those entering my firm's doors seeking divorce advice has been money differences. Sadly, many couples enter relationships without being capable of addressing financial challenges together. It is partly because I have witnessed those problems for many years, and the huge personal cost that they entail, that I raise this issue today.

The cost to the national budget of dealing with the ramifications of poor financial literacy must be vast, not only because of relationship breakdowns but because of the implications for the health of individuals and families. A recent study by Aviva and a leading psychologist at City university found that those with sensible financial plans were happier overall and had a stronger sense of financial well-being, and that that was the case regardless of salary.

I believe that the big society, represented by both voluntary and commercial organisations and by government locally and nationally, can work together effectively to give young people and their parents the tools to draw up positive and informed financial plans that will help to secure their future happiness. The need for that is pressing.

Let me offer an example of best practice. Two years ago in my constituency Will Spendilow, a former chief IT architect for Barclays bank, started to visit Congleton high school and Eaton Bank school in my constituency on a voluntary basis. He helps GCSE and A-level

students to understand the importance of financial planning, using the DebtCred curriculum, one of many that are available. It empowers children to set life goals and choices, helps teenagers to articulate their short-term and long-term financial goals, and helps students to budget by explaining what proportion of a wage is spent on essentials. Young people learn about the implications and the costs of borrowing; they also learn how to read a bank statement, put together a budget, and distinguish between financial products.

Mr Spendilow's work has been received enthusiastically by schools and recognised by the high sheriff of Cheshire, Diana Barbour, who has congratulated him on his "sterling achievements". At the end of one of his classes a teacher said to the young people, "That is the best and most valuable PHSE lesson that you have ever had." However, when I asked Mr Spendilow what provision there would be if he did not teach financial capability, he said that he did not know of any.

Mr Chuka Umunna (Streatham) (Lab): I congratulate the hon. Lady on raising a subject that I consider to be tremendously important. I particularly endorse what she has said about Christians Against Poverty and the citizens advice bureaux, which operate in my constituency. Does she share my huge disappointment that there is no Treasury Minister present to respond—*[Interruption.]* I was not aware that the hon. Member for Scarborough and Whitby (Mr Goodwill) was a Treasury Minister. Is he the Treasury Minister who will respond to the debate?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Fiona Bruce.

Fiona Bruce: Thank you, Mr. Deputy Speaker.

I believe that financial literacy is an essential element of every young person's education. Including it in the curriculum would decrease the cost to so many people—and to the nation—of personal debt, family breakdown and ill health. Even more important, it would enable all young people to embark on adulthood with a vital tool, and to realise their full potential in life. I hope that the Minister agrees that this is a vital issue that we need to address sooner rather than later.

Karl Turner (Kingston upon Hull East) (Lab): On a point of order, Mr. Deputy Speaker. Is it in order for the Government to send a Whip rather than a Minister to respond to the debate?

Mr Deputy Speaker: Members may be disappointed that no Treasury Minister is present, but let me say in fairness that the Whip is a Minister. He is part of the Government, and he has the right to speak from the Front Bench. That is the position. There may be disappointment, but I am sure that we shall hear full and thorough answers. We all look forward to the response from the hon. Member for Scarborough and Whitby (Mr Goodwill).

Fiona Bruce: Let me end by saying that I know my concerns are shared by a number of Members, and that I look forward to hearing the contribution of my hon. Friend the Member for North Swindon (Justin Tomlinson) shortly.

3.17 pm

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): I wish to raise the issue of the funding settlement for Her Majesty's Revenue and Customs, for two reasons. First, it is important to my constituents, many of whom work in the Cumbernauld branch of HMRC, one of the largest tax offices in the country. Secondly, it is important to the nation for our tax to be collected efficiently and effectively.

I have several questions for the Minister about the settlement that HMRC received in the comprehensive spending review. It mandates overall resource savings of 15% and efficiency savings of 25%. I should be grateful if the Minister clarified the precise meaning of those two figures. To what budget does the 25% refer? What proportion of the 15% overall resource saving will be met from efficiencies, and what proportion will be met through a reduction in the scope of HMRC's activities? How does the Minister define an efficiency saving? And—this is the most important question for my constituents in Cumbernauld—what is the Minister's most recent estimate of the number of redundancies that he expects at HMRC across the country during the spending review period, and what proportion of them will be compulsory?

Will the Minister confirm that neither the £900 million for combating tax avoidance nor the £100 million for reducing error, both of which were announced in the comprehensive spending review, will be additional money for HMRC? Will he also explain whether the figures refer to annual allocations, or to money redirected to these purposes over the entire spending review period? How does the Minister expect HMRC to achieve such a redirection of resources, in the context of significant cuts to its overall resource budget?

I would like to place HMRC's funding settlement in a broader context and draw attention to some specific problems faced by my constituents working in the Cumbernauld office.

Mr Umunna: Does my hon. Friend share my concern about the hugely increased bureaucracy that HMRC will have to deal with because of the change to child benefit, which will require HMRC in some sense to monitor the incomes and outgoings of millions of families across the country?

Gregg McClymont: My hon. Friend raises an important point, which speaks to the overall context in which HMRC will be operating.

We know that there is no direct correlation between reduced funding and increased output. The productivity of individual public servants can increase, but overall output can still decline. There comes a point when any organisation can no longer do more with less. If resources are reduced too far and too hastily, it will end up doing less with less, even if productivity increases. Does the Minister accept that it will be extremely difficult to deliver the additional revenue and improved customer service that we need from HMRC in the context of large reductions in overall expenditure?

Many of the savings that the Government talk about will be made through redundancies and restructuring. Staff motivation and industrial relations at HMRC are already poor. These problems have been recognised by

[Gregg McClymont]

HMRC, which was the subject of heavy criticism in the capability review published by the Cabinet Office in 2009. The review found that only 25% of HMRC staff, compared with 61% of senior civil servants, were proud to work for the Department. In the 2009 staff survey, only 11% of all staff and 17% of senior civil servants felt that change is well managed in HMRC.

We know that working in HMRC is often a difficult job. Dealing with people who are recalcitrant in paying their tax is, I suggest—without direct experience of it—often not much fun, yet staff morale is extremely important. I worry that a combination of low staff morale and further funding cuts is likely to lead to further problems for HMRC. Staff in Cumbernauld, for example, are deeply concerned about the restructuring that is taking place among staff in the benefits and credits section, a reform that is taking place two years ahead of the planned move to universal credit.

These staff have been threatened with compulsory relocation to other tax offices in East Kilbride and Livingston, a source of particular concern for staff with child care and caring responsibilities. I hear that there are fewer jobs available in these new offices than there are posts in Cumbernauld. Staff who are not redeployed might be labelled as surplus, with an uncertain future. Staff in payroll and human resources for the whole of HMRC are also based in Cumbernauld. They are extremely concerned about potential redundancies following the introduction of next generation human resources.

Does the Minister expect that these changes will result in redundancies in Cumbernauld, or will the Cumbernauld office perhaps expand its functions and its staffing? More broadly, can he give us an assurance that HMRC will improve the manner in which it manages change in its organisation?

Finally, I would like to ask a broader question about HMRC's strategic vision. Does the Minister accept that there is a tension between announcing Britain's business-friendly credentials to the world and cracking down on tax evasion, particularly by companies and wealthy individuals? In particular, what view does he take of the remarks that David Hartnett, Permanent Secretary, made in the *Financial Times* last August, when he suggested that

"HMRC is packed full of very intelligent people but we are sometimes too black and white about the law"?

Does the Minister believe that it is possible for tax officials to be "too black and white" about the antisocial behaviour of tax evaders? I can assure him that my constituents, and no doubt those of every hon. Member, do not take that view.

A well resourced and properly motivated HMRC is crucial to the important work of Government. I ask the Minister to provide more detail on the implications of HMRC's funding settlement, and to consider the assumptions underpinning it.

3.25 pm

Justin Tomlinson (North Swindon) (Con): First, I wish all a wonderful Christmas.

As my contribution has been transferred from the education category to the Treasury category, I will take full advantage of the Treasury's love of statistics and utilise them well in my speech. As my requests are generally related to the Department for Education, with a sparkling of festive spirit it will be nice and easy to secure agreement on all my requests.

I strongly believe that we have a duty to ensure that young people are equipped to make informed financial decisions. I congratulate my hon. Friend the Member for Congleton (Fiona Bruce), who made an excellent speech on the subject. I have been working with the Personal Financial Education Group, the Consumer Financial Education Body, and Martin Lewis of www.moneysavingexpert.com to set up an all-party parliamentary group on financial education for young people.

The purpose of the APPG will be to provide a medium through which MPs, peers and organisations with an interest in financial education can discuss the current provision on financial education in schools; ensure that young people are equipped to make informed financial decisions; help make resources and qualifications available to young people in education; support schools in the delivery of financial capability; and encourage the introduction of a requirement on schools to provide financial education.

Recent studies have shown that 94% of people think that financial education for young people is important in the current environment. Society is changing, making financial education ever more important. This year for the first time we saw that debit card use overtook the use of money. Long gone are the days when people were paid weekly in cash and were able to budget to the point where they ran out of money. We now have more direct debits, more standing orders and more contracts. Having been a councillor for 10 years before becoming an MP, I saw among the residents whom I represented that many of those unfortunate enough to lose their job would quickly be overwhelmed by the outgoings from their bank account, even when they thought that they were not spending any money.

We receive increasingly complicated marketing messages. One point that was highlighted to me was the worrying number of people who think the higher the APR, the better. Young people will never be able to get 100%-plus mortgages or to repair past financial mistakes through rising house prices and start again. In these challenging economic times, 69% of parents are concerned that their children will get into debt in the future. Less than a quarter of parents feel very confident about educating their children in how to manage money.

This was brought home to me last Friday when I and my hon. Friend the Member for South Swindon (Mr Buckland), with whom I share an office, held a training day with Citizens Advice, R3 and Nationwide building society to train us as MPs and our staff in how to deal with people who are in financial difficulty. Sixty per cent. of Citizens Advice's work relates to debt and benefits, with the average client owing £16,970, which would take an average of 93 years to pay off at a rate that they can afford. I am sure all MPs share my concerns about the impact of debt. Interestingly, 91% of those who admitted to financial mistakes believe that financial education could have helped them avoid making those mistakes. I am sure a few MPs were included in that survey.

I believe schools have an essential role to play, and that is widely supported. Some 91% of teachers and parents agree that it is important that children learn to budget from a young age.

Andrew Percy (Brigg and Goole) (Con): I pay tribute to my hon. Friend for the cracking work he is doing in establishing the APPG. Does he agree that what we need to do better in schools is not only encourage young people to take qualifications, but mainstream financial education into the curriculum? One idea from a head teacher at Goole was that we should include it on the curriculum as part of functional maths.

Justin Tomlinson: I thank my hon. Friend for that point. He has already put his name on the APPG list, and he will have a very important role to play in it. I hope many other MPs will put their names down too. Through working with teachers and teacher organisations, we will find the best way to engage with young children. Young people will support that too, as 97% of 11 to 17-year-olds think it is important to learn about money in school. School provision for personal financial education is still patchy, however, and 72% of parents think not enough has been done in the past to educate children about financial matters.

While there are many examples of excellent work, often led by the PFEG or banks and building societies, far too many schools have no, or extremely limited, provision. Through the APPG, we want to drive up standards and participation. Ideally, all children should have access to standard, consistent and engaging provision, but in the meantime we must do all we can to maximise participation.

My Christmas wish is for Members to join the APPG. I am sure all Members have their pens poised, so I will inform them that the group's official launch will be on 31 January between 4.30 pm and 6.30 pm in the Jubilee Room, with Martin Lewis from MoneySavingExpert. I am aware that piles of Christmas cards will currently be covering hon. Members' desks, but among them is an invitation—it will already have landed—so I ask them to keep an eye out for it.

As part of the group's work, we will be looking to promote a balanced response. There are many different challenges ahead. Everybody is broadly supportive, but we must progress in a way that everybody can get behind and support. We have therefore been working with over 30 organisations, including banks and building societies, financial institutions, charitable organisations, schools and teaching organisations and, as I have said, Martin Lewis of MoneySavingExpert with, crucially, his 6.4 million subscribers, who will be encouraged to support this scheme.

At Christmas families face the greatest temptation to make the wrong financial decisions, so now would be a great time for us to make a difference. We should imagine what a difference it would make to our casework if people were able to make better and more-informed decisions.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Before I call the next speaker, may I wish the House—Members, staff and visitors—all the best for Christmas, and may we all have a good new year?

3.32 pm

Mr Chuka Umunna (Streatham) (Lab): I echo those wishes of good will and merriment to the House.

Before I start talking about choice and competition in the banking sector, I would like to put on record my thanks to the Building Societies Association and the pressure group Compass for giving me assistance in preparing for this debate, and to the fantastic staff of the Treasury Committee, who have provided excellent briefings to me and other Members throughout our ongoing inquiry into choice and competition in the sector.

The financial crisis had a major impact on the shape of the banking sector. There has been widespread consolidation, and concerns have been raised that competition in the sector is not working—with, for example, investigations by the Office of Fair Trading into overdraft charges—and that there is now an ever greater lack of choice and diversity in financial services. That is borne out by the latest OFT figures on market concentration. In the personal current account market, the five largest providers in the country have a 73% market share. In the mortgage market, they make up over 75% of gross lending. They have cornered over 90% of the credit card market as well. By way of comparison, in Spain, the US and Germany, the five largest providers have less than 50% of the personal current account market. In all but a couple of cases, the largest providers are banks. There has been just one new start-up retail bank: Metro Bank, since 2008. These figures demonstrate that there is a lack of choice and diversity in the sector, which, of course, also reduces competition.

I believe we can increase choice and competition by growing and expanding the mutual sector. I hope the Government agree with me on that, particularly as a commitment was given in the coalition agreement to

"bring forward detailed proposals to foster diversity in financial services...and create a more competitive banking industry",

in part by promoting mutuals.

But why mutuals, and what can they offer that standard banks cannot? First, mutuals are democratic. Banks are accountable to shareholders who demand a rising share price and a big dividend, whereas mutuals, collectively owned by their customers, have a collective of people who vote on the direction they wish the institution to take.

Gregg McClymont: I have been listening closely to my hon. Friend's comments. Given the Government's commitment to what they call the big society, does my hon. Friend agree that mutuals seem to be a perfect example of collective self-organisation of the type the Government talk about?

Mr Umunna: I agree with my hon. Friend and I shall expand on that matter a little later. An example of the participation of members of mutuals is displayed when one attends a building society annual general meeting. The participation rates in such AGMs have increased sharply over the years, and some have member panels, which play an enhanced role in the management of the organisation. I am in favour of markets, but properly regulated ones. That means that we need to redemocratise the market so that it serves people, rather than having things the other way round, which is an avenue we have

[Mr Umunna]

gone down too much over the past couple of decades. Giving life to mutuals is a good way of redemocratising the financial services sector.

Secondly, mutuals add biodiversity to the financial services sector; a thriving mutuals sector adds to the diversity of the financial system. The more diversified the financial system in terms of size, ownership and structure of businesses, the better able it is to withstand the strains produced by normal business cycles and we can also avoid the herd instinct commonly displayed in the market over recent times.

Thirdly, mutuals have a lesser appetite for indulging in risky financial activities and so, on the whole, they weathered the storm well during the global financial crisis. For example, building society mortgage arrears are less than two thirds of those of the market as a whole. Building societies are also, thankfully, legally barred from taking positions in derivatives, foreign currency and commodity markets, which is where other financial organisations have found themselves in deep trouble. Where mutuals have run into difficulty, as the Dunfermline building society did in March 2009, it has been because they have moved away from the traditional mutual business model. So a growth in mutuals will not only reduce exposure to risky financial activities, but bring systemic advantages. It will foster a culture that moves away from the risky, reckless behaviours that we have seen precipitate the crisis, and so we can reduce the chances of that reoccurring.

Mr Peter Bone (Wellingborough) (Con): The hon. Gentleman is making a powerful speech on an important issue. Does his argument go on to say that the large banks should be broken up into smaller ones, as in the example from the United States?

Mr Umunna: I do not wish to pre-empt the inquiry being carried out by the Treasury Committee. I have some sympathy for those views, but I would like to continue to hear the evidence that my Committee is taking on this matter and read some of the submissions to the Independent Commission on Banking before coming to a firm view.

The fourth argument that I make in favour of mutuals is that they have strong local links and roots in local communities. Mutuals are often regionally based and therefore often have a better understanding of those they seek to serve because they understand and are rooted in those communities. Finally, mutuals will undoubtedly help to promote competition. As I have mentioned, building societies do not have to pay dividends to shareholders, so they can use their funds either to pay higher savings rates or provide lower mortgage rates. It is no surprise that they regularly top the "best buy" tables.

Justin Tomlinson: As the Nationwide building society's head office is in Swindon, I fully support the points that the hon. Gentleman is making. To further strengthen them, may I say that the lack of competition will lead to higher costs and charges for customers?

Mr Umunna: I thank the hon. Gentleman for that intervention. I do not wish to speak for too long, so I will just conclude by talking a bit about Northern Rock and Bradford & Bingley. As we all know, Northern Rock was nationalised on 18 February 2008, having been demutualised in 1997. After it demutualised, it had moved away from the traditional mutual business model and famously came unstuck in the summer of 2007. Likewise, Bradford & Bingley was taken into public ownership on 29 September 2008, having demutualised in December 2000. It, too, had run into trouble at the height of the crisis. For all the reasons that I have mentioned, we should remutualise Northern Rock and Bradford & Bingley as soon as we can.

In answer to a written question on 3 November, the Financial Secretary to the Treasury, who I am disappointed to see is not present, given that he was here for Treasury questions earlier, said:

> "The Government have made it clear that they are not a permanent investor in UK banks and that their intention, over time, is to dispose of all the investments in an orderly way." [*Official Report*, 3 November 2010; Vol. 517, c. 825W.]

So I ask the Minister who is here, what is the Government's current view on the issues that I have raised? Are the Government open to remutualisation as a way of meeting their promise in the coalition agreement to promote mutuals? If not, why not? How else do they propose to promote mutuals as promised? Has the Treasury carried out a feasibility study of the remutualisation of Northern Rock and of Bradford & Bingley? If it has not, I call on the Government to do so and publish the findings of that study, so that we might have a proper national debate on the issue.

If the Minister is unable to reply to my detailed questions today, will he undertake to ensure that the Financial Secretary to the Treasury provides me with details of the same? I cannot emphasise to the House how important I think those issues are, because if we are serious about ensuring that our constituents do not have to pay the price for the global financial crisis that in turn contributed to and caused the recession, we as a collective absolutely need to get a grip on such matters.

3.41 pm

Mark Pawsey (Rugby) (Con): May I extend my good wishes to you, Madam Deputy Speaker, and to all Members and staff?

It is a great pleasure to follow the hon. Member for Streatham (Mr Umunna), because I, too, wish to raise a matter relating to high street banks. I shall discuss the proposals to withdraw the ability to write cheques, and in referring to that issue my remarks will in part be the reflections of a new Member—perhaps appropriate for this time of year—and draw on my early experience in a new role.

In August, I received a letter from a constituent, Miss Patricia Keats, who wrote to tell me that she was 87 years old, and since the closure of her local post office had found it difficult to get hold of cash. With her pension paid directly into her bank account, she found it convenient to ask a friend to take out cash for her and then to use her cheque book to pay that person. In addition, Miss Keats told me how useful her cheque book is for paying people who help her at home, such as her chiropodist; and how useful it is, when she watches a disaster unfold on TV, such as in Haiti or in Pakistan, for sending a donation. So, she wrote that she has real concerns about the banks' proposals.

I am afraid that when I received Miss Keats's letter I did not respond as thoroughly as I might have. I replied, simply pointing out that the proposal is fairly distant; that it will not come in until 2018; and that alternatives are being considered. I regret my response: I did not consider the issue sufficiently thoroughly, take account of her personal circumstances and wishes or do as much as I should have done to represent her interests. I am pleased to have the opportunity to put that matter right by going into the issue in more detail today.

This is a matter for the Payments Council, the organisation that directs the strategy for UK payments. The industry set it up in 2007 to ensure that payment systems and services meet the needs of payment service providers, users and the wider economy. Last year, the council's board decided to set a target date of 2018 for closing central cheque clearing.

Some 4 million cheques are still written every day, so there is still a large number although it fell by 12% between 2000 and 2008, leading retailers such as Tesco and Marks and Spencer to refuse to accept them in their stores. Many people will know from their everyday experience that cheque usage is falling as people make payments by other methods, such as direct debits and internet banking.

Mr Bone: My hon. Friend is making an excellent speech, but I have a member of staff who does not know how to write a cheque and never has. There seem to be two economies.

Mark Pawsey: My hon. Friend makes a fair point, but somebody in the older age group has drawn the issue to my attention, and I shall go on to mention how it affects not just those people but others.

It is true, none the less, that those most resisting change are older residents, such as Miss Keats, who often do not have internet access or are uncomfortable with the open-ended commitment of a direct debit, which involves a supplier, frequently a large, faceless corporation, being able to put its hand into their bank account.

I am myself of a generation that grew up with a cheque book, and I do not wish to see them go, despite having seen cheques used inappropriately; I am thinking about the idiot in the student union bar who, rather than taking out some cash, insists on paying for half a pint of bitter with a cheque, to the irritation of other customers and bar staff alike. It is clear that people generally do not want cheques to go. For settling an account with a provider of goods or services, sending a cheque is a simple and easy method of payment—not least because the cheque book stub is a convenient reminder of which bills have been paid.

Charities in particular do not want cheques to go; they fear that that would mean a decline in their incomes because many of their donors are nervous about other methods. Small businesses do not want them to go either, because it is easy to reconcile accounts when payments are made by cheque, often with invoice numbers written on the back.

Justin Tomlinson: I fully support that point about small businesses. As one who has spent many years reconciling accounts, I think that too often internet bank accounts do not show the full details, while it is always crystal clear who a cheque has come from.

Mark Pawsey: Absolutely. I spent 25 years running a small business and I know that the information on the back of cheques is of great value.

I am pleased that the Government recognise the seriousness of the issue. I appreciate the recent ministerial letter that recognised people's concerns. It acknowledged that no decision on closure will be taken before 2016 and that that would depend on suitable replacement methods having been established. I am also pleased that the Government welcome the Payments Council's commitment to reassure cheque users that their interests will not be ignored. But it is not enough simply to say that 2018 is a long way off, and it is not helpful to tell people that a facility will be withdrawn in the future without telling them what the alternatives might be. Individuals, businesses and charities want certainty about what might be happening.

I hope that this afternoon I have put right a wrong in my response to Miss Keats and that I have done justice to the points that she raised by asking the Minister to go a little further than he has until now and respond to the final plea that Miss Keats made in her letter that he "do what he can do to support the very many people who want and need to keep cheques."

3.47 pm

Mr Robert Goodwill (Scarborough and Whitby) (Con): It gives me great pleasure to respond to the Members who have contributed to this debate. I stand as the Treasury Minister who sits next to the Chancellor at all the meetings at No. 11, even if I am generally not allowed to speak in the House.

My hon. Friends the Members for Congleton (Fiona Bruce) and for North Swindon (Justin Tomlinson) raised the issue of improving financial literacy and education for the young. Over the past decade, people's financial habits have changed considerably. High personal debt coupled with low savings are something that we need to address, especially when they are looked at in the context of the financial crisis and the ageing population. There is no point in giving consumers detailed information about annual percentage rates and other financial data in connection with products if they do not understand what an APR is. When one sees the rates of interest charged by credit and store cards or doorstep lenders, that brings home the need for better financial education.

As a Government, we want people to take greater personal responsibility for their finances. As my hon. Friends said, giving people access to financial advice and education is an important part of that. That is why we have tasked the Consumer Financial Education Body, or CFEB, to deliver a free financial advice service by spring next year. That will improve financial literacy and help consumers to take charge of their own finances. It may even save a few marriages along the way.

A vital component of the service will be the annual financial health check, to provide people with a holistic overview of their finances. In tandem, the CFEB supports financial education through the "Learning Money Matters" programme, which offers free advice and resources to schools that want to teach personal finance education. I remind the House that finance education is currently part of the personal, social, health and economic education syllabus for key stages 1 to 4. However, I was concerned to hear that the son of my hon. Friend the Member for

[Mr Robert Goodwill]

Congleton did not receive that tuition as part of the syllabus. As a parent, perhaps she could get in touch with her parent governor or head teacher to ensure that it is covered in future. I was pleased to hear how the banks are interacting with local schools to provide that type of tuition.

I, too, have received an invitation to the all-party parliamentary group on financial education for young people. I certainly look forward to attending on 31 January, along with my hon. Friend the Member for Chippenham (Duncan Hames) and the hon. Member for Walthamstow (Dr Creasy), who are the co-chairmen of the group. As a fan of Martin Lewis, who appears regularly on GMTV, I know he reaches 6.4 million people through his website and his appearances—dare I suggest that that is fewer people than are watching this debate?

The hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont) raised the issue of the HMRC settlement. As an employer, I know Cumbernauld well because the name appears on the prepaid envelopes when I send off my tax to that particular office. The office employs 1,500 staff and I am sure that the hon. Gentleman will be pleased to know that it has a key role in debt management and collection, and that there are no plans substantially to reduce numbers in that office.

As with all Departments, HMRC will deliver on its efficiency savings programme by concentrating on the core elements of the service it provides. In the case of HMRC, that means ensuring that resources are more efficiently focused on collecting revenue and providing a better service to the British taxpayer. As part of its settlement, HMRC will therefore improve the pay-as-you-earn system, so that there is greater use of real-time information, and extend its online resources to reduce the demands placed on contact centres.

HMRC will reinvest the £900 million in savings to tackle avoidance, evasion and criminal activity. Those savings will be recycled into activities working against tax avoidance, evasion and criminal attack to collect additional revenue of £7 billion per annum by 2014-15. That will deliver a more robust criminal deterrent against tax evasion and will increase the number of criminal prosecutions fivefold. There will also be a crackdown on offshore evasion, with the creation of a new dedicated team of investigators to catch those hiding offshore money. We wish to clear the backlog of PAYE cases by 2012 and stabilise the service in order to recover and improve customer service. Central to that will be undertaking the next stage of consultation on improving PAYE through the use of real-time information to bring improvements to employers and taxpayers. Of course, in the past, that has resulted in underpayments and overpayments, some of which had to be written off and some of which had to be collected at great expense.

Mr Bone: A Whip is yet again speaking at the Dispatch Box for the first time and performing better than the normal Treasury Ministers, without the backing of any official. I congratulate my hon. Friend on that. I hope to see more of it happening in the future.

Mr Goodwill: I think I will just continue. I have a very detailed brief that I am sure my right hon. Friends the Chief Secretary or the Chancellor will put into a detailed response. Given the time, I cannot go into the issues in detail, but there are a number of tables that I am sure will reassure the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East. Suffice it to say, the work force and change plans are still being developed. Until those plans are completed, HMRC cannot say what the position will be on redundancies or exits.

Gregg McClymont: I thank the Minister for his response. From what he said, can I take it that the Department will write to me with the detailed figures? Is that the position?

Mr Goodwill: Yes, I am sure that that is the case. The first choice is to redeploy, but where that is not possible because of location or skills, exits will be used as a last resort. HMRC will recruit people if it cannot otherwise fill roles with people who have the right skills.

On the point about child benefit changes within a reducing settlement, the changes will be managed from within the settlement. Withdrawing child benefit from households with a higher rate taxpayer can be done within existing PAYE and self-assessment systems. HMRC will therefore not need to contact all 7.8 million households in receipt of child benefit. From a customer's perspective, that delivery option does not place a burden on all child benefit claimants; it limits the impact to those households containing higher-rate taxpayers.

On the issue of whether the law is too black and white, I stress that tax evasion cannot be tolerated wherever it occurs. I was pleased that the Finance (No.3) Act 2010 closed a number of the loopholes that meant that people were not paying the tax that they should. To be fair, those loopholes were identified by the previous Government.

Much of the debate was focused on the banking system and I am sure that we all have had horror stories brought to our attention by our constituents. One of my constituents was in the Proudfoot supermarket making a purchase of about £5 and the checkout girl accidentally clocked up £50. That was corrected less than five minutes later, but it incurred an unauthorised overdraft fee and the bank refused to back down when contacted by me as the Member of Parliament. Fortunately, when I got the *Yorkshire Post* on to the issue it finally relented; such is the power of the press.

In response to the hon. Member for Streatham (Mr Umunna), the Government are clear that there should be more competition in the banking sector. The Independent Commission on Banking has been asked to consider reforms to the UK banking sector, including how to encourage greater competition. Following the commission's report next year, the Government will bring forward specific proposals to foster diversity and increase competition, and I am sure that that will include a role for the mutual sector. I have nothing to add to the answer given by the Financial Secretary earlier, but I am sure that he will write to the hon. Gentleman following this debate.

On cheques, my hon. Friend the Member for Rugby (Mark Pawsey) raised the potential—

Mr Umunna: I raised a number of detailed questions with the Minister, responses to which have not been forthcoming. I heard with interest the views of the hon. Member for Wellingborough (Mr Bone) about the response that the Minister is giving, bearing in mind that he has been called to do this at such short notice. However, I would be grateful if he explained why the Financial Secretary himself is not here, as he was here only a few hours ago. Will he undertake to ensure that I get detailed responses to the issues that I have raised?

Mr Goodwill: I thank the hon Gentleman for his intervention. First, this has not happened at short notice—it has always been the plan for me to answer this debate. He had an opportunity earlier at Treasury questions to raise specific issues when the majority of the team were there. I am aware that I have only less than a minute left, which is why I want to move on to the next point. I am sure that he will get a detailed response, particularly about the way in which the banks, which are now largely in the public sector, are sold on or whatever. The Government will no doubt be looking at the best value for the taxpayer as well as the best service to business and individuals. I am sure that my hon. Friend the Financial Secretary will write to him, and we will be making further announcements in the House at an appropriate time.

On the withdrawal of cheque facilities, it is true that the number of cheques issued has declined dramatically. More than 11 million cheques were written in 1990, and that figure declined to 3.5 million in 2009. A provisional date of 31 October 2018 has been set for the withdrawal of cheque facilities, with a final decision to be made by 2016. I, too, have received a letter from a constituent, which arrived this morning. It is from Mrs Hunter of Whitby, who tells me that she is over 90 years old and does not possess a computer or a laptop, or even a mobile phone or any credit or debit card, and so will find it very difficult to send money through the post to her family at Christmas or to make payments to charities. Her local post office, which was within walking distance, was closed when the previous Government were in office, so a journey to the Yorkshire building society or the Co-op would require a taxi journey or a bus ride. She is very concerned that elderly people without recourse to cheques will not find it easy to make payments. Similarly, many small businesses find the cheque system very convenient.

The Government believe that suitable alternatives must be in place for all users of cheques before the system can be phased out, and they welcome the new commitments made by the banking industry on 7 December. In those commitments, the industry recognises the importance of having in place proper alternatives to cheques for those who rely on them most, such as the elderly, the housebound, charities and small businesses. The industry has said that a potential alternative to cheque facilities may include a paper system. Of course, if cheques were to be phased out, it would also be the end of the famous phrase, "The cheque is in the post."

Thank you very much, Madam Deputy Speaker. I hope that all right hon. and hon. Members on both sides of the House have a very peaceful and comfortable Christmas, and let us look forward to a productive new year for the coalition Government.

COMMUNITIES AND LOCAL GOVERNMENT

3.59 pm

Mr Frank Field (Birkenhead) (Lab): I am pleased to have the opportunity to raise the way in which one area in my constituency, Devonshire Park, is being treated. It feels that it is under attack from the planning system. I am glad that the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill), who has responsibility for such matters, is present. I will end by making a constructive suggestion on how Devonshire Park could be a pilot under the Government's Localism Bill.

Devonshire Park is a small part of Birkenhead, which began to be built during Disraeli's great reforming Government. It was that Government who, in the late 1870s, forged a new tradition for the Tory party. That was the beginning of one-nation Toryism. While Disraeli was doing that great work here in Westminster, the burghers of Birkenhead were building up their town. This small part of Birkenhead is rather finely built: the houses are set back from the road, are mainly detached or semi-detached and are large, decent family houses with gardens. The walls, which are such a feature of Birkenhead, are particularly interesting in this area, because much of the stone came from the nearby Storeton quarry.

It would still be a most peaceful community, but times change. A quarter of its 477 houses have been made into flats. That is double the proportion in the nation as a whole. That is not what worries my constituents the most, nor does it worry them that the houses make very good residential care homes for frail elderly people from Birkenhead and beyond. What worries my constituents is the number of homes that have been converted for institutional care use, such as rehab centres and support units for single mothers. My constituents feel that having 16 such institutions in such a small area begins to change the character of the local neighbourhood. They are not nimbys and are not saying that they do not want any such institutions in their back garden; they are just saying that they have rather a large number. They oppose developers who try to buy up property to convert yet more family homes into centres for use by institutions.

The chairman of the residents association, Robbie Bell, says that Devonshire Park is a

"community that other areas would aspire to."

He, like me, wants the community to grow in spirit, so that it protects what it has and builds on it. The area is under attack, not from the normal forces of yobbish and criminal behaviour, but from developers. The area is targeted by developers who wish to buy up the homes and to create more institutional care homes, adding to the 16 that already operate in the area. I have already made the distinction between institutions such as drug rehab centres and support centres for single mums, and the residential care homes that do not trouble the local community.

I hope that the Government's Localism Bill will come to the community's rescue. From reading the Bill, I am not sure whether the Government have yet settled on their views in all areas. I therefore want to be positive and suggest that Devonshire Park would like to be No. 1 on the Government's list to try out the neighbourhood development plans and neighbourhood development

[Mr Frank Field]

orders that are mentioned in the Bill. Across the country, there are examples of conservation areas, where the physical environment is protected. The Devonshire Park residents association wants the Government to consider whether we can use the neighbourhood development plans and orders in the Bill to move from protecting the physical environment to protecting the character of an area.

We all know that as we can kill people in different ways, so can we kill areas in different ways. There can be planning blight or local authority neglect, or we might have earthquake or fire. Alternatively, an area can come under attack from developers who, like the thief in the night, are constantly looking out for the opportunity to change the very nature of an incredibly strong community, which makes it feel under attack. My view is that the Localism Bill might ride to the rescue of such communities. I hope that the Minister might give my constituents hope that they can be the first through his door, suggesting how they would like the idea of a local development plan to become reality and protect them and people in similar areas of the country.

4.5 pm

Tony Baldry (Banbury) (Con): The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), recently made a written statement about the award of jubilee city status in 2012. That continues a practice of creating new cities that was seen at the times of the Queen's silver and golden jubilees and the millennium celebrations.

The granting of city status to existing large towns or urban districts reflects changes in Britain's demography. After all, the original definition of a city was a large town with a cathedral. Many cathedrals were built in the middle ages, and thus the status of many cities in no small part reflects their historic importance. It is therefore much to be commended that the diamond jubilee provides an opportunity to create new cities and to recognise the changing identity of where people live.

However, city status is partly a celebratory designation and does not change the status of a place for the purposes of the Local Government Act 1972 or any subsequent amendments to it. I hope that the diamond jubilee will also provide an opportunity to recognise the historic identity of many of England's larger towns that do not aspire to be described as cities but would welcome back the right to be described as boroughs.

The English and Welsh boroughs played an important part in our nation's history. Borough status was granted by the Crown by royal charter because a town had achieved significant status or for particular achievements, and boroughs were entitled to return Members of Parliament. Most could return two Members, although under their charters a handful could return only one. Banbury became an episcopal borough way back in the time of the Plantagenets, and it was granted a royal charter for borough status by Queen Mary Tudor in 1554. Under that charter it was entitled to return a single Member to Parliament, and I am thus the 46th Member of Parliament for Banbury. A subsequent charter was granted by James I in 1608.

If colleagues take a walk through Central Lobby to St Stephen's entrance and look up at the window, they will see there in stained glass the coats of arms of the boroughs at the time when the House was rebuilt after the fire. There, immediately opposite the statue of Somers, are the coats of arms of Banbury, because at that time it was recognised that the English boroughs were part of the fabric of our nation.

The reorganisation of local government in the early 1970s broadly divided England into two tiers, counties and districts. It was decided that only districts could have the opportunity of describing themselves as boroughs. Effectively, the only boroughs remaining are those communities that, at the time of the 1972 Act, were large enough as boroughs to become stand-alone district authorities. Smaller boroughs such as Banbury were wiped off the map and given no more than charter trustee status. In other words, the district councillors who represented the former borough of Banbury were designated as trustees of the borough's charter. It was only comparatively recently that former boroughs such as Banbury were able to acquire town council status, which is the equivalent of being a parish council.

I can report to Ministers that, since Banbury acquired town council status, there has been a considerable regeneration of civic and community activity. Banbury is an English market town that is proud of its history and traditions and the history of our nation, as shown by the fact that it is, so far as I know, the only town in Oxfordshire that, every year since 1940, has held a battle of Britain service and parade to give thanks for England's deliverance at the battle of Britain.

Banbury does not aspire to be a city, but it is the largest town in Oxfordshire after the city of Oxford, and it would like to be recognised for what it always has been—an English borough. Banbury does not aspire in any way to compete with Cherwell district. Indeed, as local residents, we are proud to be part of Cherwell and of Cherwell's achievements. It is a distinctive area of England.

More than 40 years have passed since the 1972 Act, and there is no risk of anyone becoming confused between a Banbury borough council and Cherwell district council, just as no one is confused between Banbury town council and Cherwell district council. Ministers in the Department for Communities and Local Government state that, under the 1972 Act, only district councils can become boroughs. I understand that point, but I want to tell my hon. Friend the Under-Secretary that I have a solution.

As the Parliamentary Secretary, Cabinet Office made clear, the creation of new jubilee cities will be done not under an Act of Parliament, but by exercise of the royal prerogative. On exactly the same principle, I suggest that the Queen could exercise the royal prerogative to create jubilee boroughs. Any town in England with former borough status could apply to become a jubilee borough. That would not require an amendment to the 1972 Act. There would be no confusion between jubilee borough celebratory designation and boroughs that are district councils. It would enable recognition of an important part of English civil life and cost not a single penny—

Madam Deputy Speaker (Dawn Primarolo): Order. Time is up.

4.11 pm

Karl Turner (Kingston upon Hull East) (Lab): I wish you, Madam Deputy Speaker, and your family a very merry Christmas and a happy new year. I extend that to the Under-Secretary and all hon. Members.

I want to speak about the housing market renewal programme or, more accurately, the Government's scrapping of it. On 17 May, the Chancellor announced that the Government would implement £6.2 billion of in-year cuts. Further details were announced seven days later, outlining £1.65 billion in local government funding cuts. The harsh reality for the housing market renewal programme became clear a month later in a written ministerial statement, which revealed that it was targeted for cuts. The comprehensive spending review later revealed that there would be no bespoke funding for housing market renewal beyond March 2011. That is in stark contrast with the previous funding settlement of £1.2 billion between 2002 and 2008, and a further £1 billion from 2008 to 2011.

The programme was introduced in 2002, and I am particularly proud of it, not least because it was the flagship regeneration scheme of my predecessor, Lord Prescott. The intention was to renew failing housing markets, improve neighbourhoods and encourage people to live and work in those areas. Gateway's success in my area speaks for itself. More than 1,500 homes were refurbished, thereby improving lives and transforming disadvantaged neighbourhoods; 615 new energy-efficient homes were created; more than 800 families were moved to decent homes; more than 300 local jobs, as well as dozens of apprenticeships, were created, and more than 600 of the worst properties in the east and west of the city have been demolished.

The effects of the Tory-led Government policy for residents in my constituency and in that of my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson) have been disastrous. People have been left to live in houses surrounded by derelict properties, with damp seeping under the carpet, and decaying walls and floors. They have been left surrounded by abandoned properties, which are subject to vandalism. The elderly have found themselves stranded in boarded-up estates. Children are playing in dangerous and filthy conditions, while their parents have had their hopes and dreams stolen. Joanne Turton, a constituent, described her situation as living in limbo and as absolute cruelty. She asked me what she and her family have done to deserve that treatment.

My constituents do not care about party politics or political point scoring, or about where the fault lies—they are desperate for answers—but I do not share their restraint. As far as I am concerned, the blame lies firmly with the Tory and Lib Dem Government, which is why it is their responsibility to clean up the mess.

At the onset of this situation, I wrote to the Department for Communities and Local Government to express my concerns, and to invite the Housing and Local Government Minister to visit my constituents to see the damage for himself. Not surprisingly, the response to my invitation was that his diary is full and that he could not come to see the mess. I received a sort of response, but that underlined the absolute mess of the policy. There is a complete lack of a plan B, and there are no contingency, exit or transitional plans.

The suggestion was that the £1.4 billion regional growth fund would cover the loss of funding resulting from the abolition of regional development agencies, and cuts in funding to transport, housing and other Departments. However, £1.4 billion is simply not enough, and it clearly does not help my constituents, who deserve better than insubstantial answers and pretend solutions. Those who were selling properties have experienced a substantial decrease in the value of their homes, and those who were renting have been left with substandard housing. It is an utter disgrace to leave people in those conditions—to steal their dreams, hopes and dignity. One constituent described it thus: "It's like we'd packed our suitcases to emigrate to our dream destination. We are on the flight and all's well. We're at 36,000 feet when the Government changes hands, and the new Prime Minister orders the captain to turn off the engines as we are about to prepare for landing, leaving absolute carnage."

I contacted my local authority yesterday, when it confirmed that it needs £9 million to sort this mess out. Will the Minister tell me and my constituents what he will do to ensure that they enjoy a worry-free Christmas and a happy new year?

4.17 pm

Andrea Leadsom (South Northamptonshire) (Con): I congratulate my hon. Friend the Minister on the Localism Bill, which is a fantastic early Christmas present for Northamptonshire. My constituents now hold out the hope once again that they can control the over-development and lack of infrastructure in their community, which was a feature of the past decade or more. Northamptonshire was part of a regional spatial strategy. It was decided that it should be the fastest-growing county in the country, but we have been poorly served by a lack of infrastructure in schools, hospitals, roads and access roads to deal with the amount of housing that has been forced upon us.

West Northamptonshire development corporation took control not only of the planning strategy for housing, but of planning itself—away from Northampton borough and Towcester—and local residents have had to sit on their hands while feeling a distinct lack of local democracy in the planning that has been forced on them. I therefore congratulate my hon. Friend on deciding to get rid of the RSS and to scrap the WNDC as soon as possible. In the year ending 2010, the WNDC spent almost £20 million of taxpayers' money, but local people have very little to show for it.

As well as that top-down control, we also had the west Northamptonshire joint planning committee forced on us by a statutory instrument in 2008. Although technically owned by the local councils, the committee has been required to come up with a plan to build up to 20,000 new houses in my constituency, many of them on greenfield sites, including beautiful villages that were listed in the Domesday book, such as Collingtree, Denton, Brafield-on-the-Green and Hackleton. I am grateful to Front-Bench colleagues who visited my constituency before and after the election to try to set at ease the minds of people who felt that their communities would be ruined. I hope that the committee will not progress any such plans. Indeed, it received 6,000 complaints from local residents about its proposed strategy.

[Andrea Leadsom]

The problem is how we get from where we are today to where we want to be after the Localism Bill is on the statute book. Our problem is that some of the councils want to get rid of the west Northamptonshire joint planning committee now and others are afraid of creating a planning vacuum if we walk away from the committee but have nothing to put in its place. I would be grateful if the Minister clarified how we can move from the present situation, with the west Northamptonshire joint planning committee still in place, to where we want to be—with a local development framework and with local communities deciding how much housing they should have and where it should be. The gap could be as much as eight to 12 months, and councillors are very concerned about what might happen with developer options on sites in the event that we no longer have a top-down plan in the absence of the bottom-up framework. That is a key question for my hon. Friend the Minister.

In Northamptonshire, we are beset by wind farm applications. We are not a very windy county, but my hon. Friend the Member for Daventry (Chris Heaton-Harris) and I have some 15 wind farm applications between us, many in beautiful areas where communities are desperately unhappy about them. Is there any scope in the Localism Bill to include greater opportunity for local communities to have their say and influence both the location and number of wind turbines? We need to introduce renewable energy in Britain, and it will form a key part of our energy security in the years to come, but we need far greater accountability so that local communities can have their say and be a part of the planning process from the bottom up, rather than being told what to do by top-down government.

To conclude, I wish you, Madam Deputy Speaker, and all those hon. Members in their places a very happy Christmas and new year.

4.23 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It has been a wide-ranging debate, which perhaps reflects the remit of the Department. I shall try to address the issues raised by hon. Members in order.

The right hon. Member for Birkenhead (Mr Field) made a characteristically graceful speech that argued a serious point. I have a lot of sympathy with the issue that he raised, and I was of course especially taken by the historical context and his reference to Disraeli. It may be of some comfort to him to learn that a portrait of Disraeli sits behind my desk—

Mr Frank Field: He's watching you.

Robert Neill: He is indeed keeping an eye on me. I have long suspected that the right hon. Gentleman and I would both be comfortable within the tradition that Disraeli founded, but I shall not ask him to change his position too much in the Chamber just before Christmas.

The right hon. Gentleman made a serious point about repeat planning applications and gave some serious examples of what has happened in his constituency. I have had similar examples in my constituency and I suspect that many right hon. and hon. Members could say the same. Many of us have heard horror stories of communities—and, indeed, local authorities themselves—sometimes feeling worn down by repeated applications from the same developer on the same site. The right hon. Gentleman has seen that with particular types of development in his constituency, and I have certainly had to do battle on behalf of my constituents over repeat applications to develop back gardens, for example. That is a real threat in many suburban areas. It is important, therefore, that we take steps to prevent the system from being abused.

People of course have a right to make planning applications, but there are measures, to which I will come now, with which we can seek to control them. At the moment, a local planning authority can decline to determine a planning application, if it has refused permission for two "substantially similar" applications on the same site, or if one such application has been refused by the Secretary of State on appeal within the past two years. It is worth reminding local authorities, and members of planning committees and their officers, that they are entitled to use that safeguard, and not to be browbeaten, perhaps, in some circumstances. The relevant provisions are in sections 70A and 70B of the Town and Country Planning Act 1990, as amended.

The decision on whether an application is the same or substantially the same, and therefore on whether a determination can be refused, is for the local planning authority. Obviously, it has to take care, because it is justiciable, but provided that it acts within the context of public law in decision making, that safeguard is open to them. It is a discretionary power, however, and does not preclude an amended application from being made—once a developer has listened and addressed objections, as I hope would be the case—that does not fall foul of the provisions..

I can confirm to the right hon. Member for Birkenhead that the Government intend to apply similar principles to neighbourhood plans drawn up under the Localism Bill. The Bill would allow local authorities to decline to consider a repeat proposal for a neighbourhood development order—the mechanism for, in effect, giving consent under the Bill. I hope that his point has been taken on board in that regard.

Mr Field: Under the Localism Bill, what new powers would the residents in Devonshire Park get to prevent the sorts of attacks they have faced over the past four years?

Robert Neill: The Localism Bill would create the concept of a neighbourhood plan, which could be incorporated in Birkenhead borough council's statutory development document—its planning framework, as it is generally called. It would permit residents of Devonshire Park to apply to the local council to be recognised, as I am sure they would be in these circumstances, as a neighbourhood forum for the purposes of producing a neighbourhood plan. That would enable them to set out their vision for the area, which, subject to a referendum and getting support from their fellow residents, the local planning authority would incorporate into its plans, unless there were strategic reasons to the contrary.

That a significant safeguard would enable residents to put in place protection against particular types of development, if they thought they were not sustainable.

It would, of course, have to be consistent with national policy that we will be setting out in the national planning policy framework, and with our support for sustainable development. However, it is exactly the sort of vehicle that the right hon. Gentleman and his constituents are seeking. I would be happy to talk to him as the Bill progresses to ensure that he and his constituents are in a position to take advantage of the provisions.

I also hope, of course, owing to the requirement in the Bill for pre-application discussions on any scheme of any significance, that developers themselves will recognise and take heed of the concerns and aspirations of local communities, and adjust their developments accordingly. We are trying to move to a much more collaborative and front-loaded approach to planning, rather than repeat applications and the threat of a decision by appeal at the end. I am happy to keep the right hon. Gentleman informed on progress on those matters.

Let me now go back further than the Disraeli period—to the Plantagenets, as I understand it—and address the speech of my hon. Friend the Member for Banbury (Tony Baldry). I am sure that he was not there at the time, but he has a degree of erudition that clearly indicates that he has gone that far back in researching borough status for Banbury. Those of us who watch "Lark Rise to Candleford" will be well aware of the status of Banbury within Oxfordshire, and not just as the home of Banbury cakes, but as a major town. I understand the sense of where my hon. Friend is coming from, because we as a Government recognise civic pride as a valuable part of the big society. That said, these things are not quite as easy as one might wish. My hon. Friend is a distinguished lawyer, and he is quite right about the constraints on achieving the ambition that he set out.

At the current time it is not possible for any authority, other than a district council, to become a borough. There may be no confusion among the residents of his area about Cherwell district council and a borough of Banbury, but I would not like to guarantee that that would apply everywhere else. *[Interruption.]* I see the right hon. Member for Birkenhead smiling. One can just imagine the confusion about what was the historic borough of Birkenhead and the borough of Wirral, of which it is now a part. I can see the same thing happening in my constituency, with confusion about the former borough of Bromley and the current borough of Bromley, one of which is much larger than the other, which happens to lie within it. Things are not quite so simple, so we will have to be a careful. We will of course consider the position, but the route suggested is not to create a new type of borough, which could confuse people even more. Rather, if Banbury wishes, it can apply for city status under the jubilee provisions.

Tony Baldry: Will my hon. Friend give way?

Robert Neill: I will briefly, but I need to get on to other matters.

Tony Baldry: We do not want to be a city; we want to be a jubilee borough. It is not the same as wanting designation under the Local Government Act 1972: it is something completely different. If, as with cities, Ministers are not willing to pursue that under the royal prerogative, we will have to petition the Privy Council and see where we get. The proposal will not cost anything. I just hope that Ministers will show a little more imagination.

Robert Neill: I am sorry to disappoint my hon. Friend, but he will understand that it is difficult to pluck out one case. Banbury can call itself a town council—it has a mayor, and civic regalia and plate, and it can use its coat of arms. I hope that he will reflect on the matter, if that is not a proportionate solution.

Let me turn to the speech of the hon. Member for Kingston upon Hull East (Karl Turner) and the pathfinders. It is fair to say that Hull city council will receive more than £23 million this year to take forward projects in east and west Hull. Of course there have had to be reductions, but I am sorry—the hon. Gentleman made the only speech that sounded a vaguely partisan note—but responsibility for that ultimately lies with those who created the difficulty and the deficit that we now have to deal with. There are other options open in housing market renewal areas, and local authorities can continue to apply to the regional growth fund. There is also the new homes bonus and the new affordable rent programme, including new empty home funding, so there are other options available. Indeed, I note that Hull is working on a local enterprise partnership, which I believe will also open up real opportunities. We want that taken forward, but that cannot be done under the previous, unsustainable financial position. I understand the difficulties, but Hull is being imaginative, and the local enterprise partnerships will offer it real opportunities.

In answer to my hon. Friend the Member for South Northamptonshire (Andrea Leadsom), I say that the Localism Bill is coming forward very soon. Localism will enable neighbourhood plans to have regard to issues such as wind farm development. Our reforms will apply equally to wind farms that are considered under the Town and Country Planning Act 1990, which of course have to be consistent with national policy, as I have said. We are also taking steps on changing planning structures, and if my hon. Friend keeps in touch with me on those matters, I hope that we will be able to discuss how to translate the existing, top-down structures into something more democratic. The Localism Bill's proposal to abolish the regional spatial strategies will give much greater scope to local authorities such as hers to develop in the right place, and in a way that is appropriate to the context of local communities.

Having dealt with that, may I wish you, Madam Deputy Speaker, and all hon. Members a very happy Christmas. If anyone is short of a present—the hon. Member for Kingston upon Hull East will be glad to know this—the Department for Communities and Local Government still has some 5,000 branded Office of the Deputy Prime Minister promotional biros available.

Hon. Members: Hear, hear.

Madam Deputy Speaker (Dawn Primarolo): Thank you very much, Minister. I am sure that we all want to wish you and all other Members a very merry Christmas and a happy new year. Perhaps we shall want to reflect on the question of the biros, however.

GENERAL MATTERS

Madam Deputy Speaker (Dawn Primarolo): I know that it is the festive season, but it is customary in the Chamber for Members to stand up to indicate that they wish to speak. I hope that any reluctance to do so is not due to any early celebrations. I call Valerie Vaz.

4.35 pm

Valerie Vaz (Walsall South) (Lab): It is a pleasure to start this debate, particularly on this day, which is seeing another first for Parliament.

In 1948, a tired world, exhausted after two world wars, did the right thing when it came together to proclaim the universal declaration of human rights. The concept was simple: it was to reaffirm the faith

"in the dignity and worth of the human person and in the equal rights of men and women",

and to state:

"All human beings are born free and equal in dignity and rights."

In 1998, the United Kingdom passed the Human Rights Act, which merely enshrined the European convention on human rights in British law. We were one of the first nations to sign the convention in 1950. The Foreign Secretary stated at the weekend that he wants to increase Britain's influence in the world, but we cannot take our place on the world stage while making a commitment to repeal the Human Rights Act.

Members will also be aware of the doctrine of the margin of appreciation that applies to interpreting the convention. It provides for a range of discretion, under which the convention can be interpreted differently in different member states, to take into account cultural, historical and philosophical differences between Europe and the nation in question, so there is no need to be fearful of the Act.

I am sure that the whole House will agree that the dignity and worth of a person is important, and that equality is a goal worth pursuing, yet there are millions of men and women who struggle silently for equality at great personal cost. In Iran, Sakineh Mohammadi Ashtiani is still awaiting her fate. The signatories to the open letter in *The Times* to the president and supreme leader Ayatollah Khamenei and a letter from 119 Members of this House to the Iranian Government have called on them to free her. The charges against her have changed. Her lawyer has had to flee. Her son has been arrested, as have German nationals. The German Bundestag has now passed a resolution to engage with the Iranian Government to lift the death penalty. Ashtiani's human rights, like her testimony, count for less than a man's. The man who was her co-accused is free and does not face the daily torture that she does of not knowing whether she is to live or die. We call on the Iranian Government to start the new year by resolving to free her.

Men and women both suffer human rights violations, but the position is more difficult for women, because 70% of the worlds illiterate people are female, and 75% of the world's refugees and internally displaced persons are female. Women also face barriers, which give them less access to legal institutions, for example. In Burma, the recent release of Daw Aung San Suu Kyi was internationally welcomed and celebrated, but with the failing economic situation there are high volumes of human trafficking, especially of women and girls. These are the 21st century slaves, and we should be outraged in the same way as William Wilberforce was in this House. The enslavement of girls and women into prostitution is demeaning, offensive and undertaken by coercion.

Women are routinely subjected to genital mutilation in countries such as Somalia, Ethiopia and Sudan, and the effect is now being seen here. This is not a religious issue; it reflects deep-rooted inequalities between the sexes and extreme discrimination against women. Worst of all, it is carried out on the voiceless: babies and young girls. The Female Genital Mutilation Act 2003 must be enforced, but other techniques should also be used to educate people and to explain to those countries that this is not an acceptable practice.

In 1990, the Nobel prize-winning economist Amartya Sen wrote of the 100 million missing women. He noted that women lived longer than men in most circumstances. Even poorer countries in Latin America and Africa have more females than males. In places where girls have a deeply unequal status, they disappear. China has 107 males for every 100 females; in India, the figure is 108, and in Pakistan, 111. Kerala, which has championed the education of women, has the same excess of females as the United States, however.

In 2001, the World Bank argued that promoting gender equality was crucial to combating global poverty. The Self Employed Women's Association was founded in India in 1972, and, by supporting women who are starting businesses, has achieved staggering success in raising living standards. Other initiatives, such as the "Because I am a Girl" campaign—Members may be aware that it organised a display in the Committee Corridor—are attempting to break the cycle of gender discrimination and poverty through education and targeted support. Such projects and initiatives help women to achieve their rightful place in societies that put them at risk following conflicts that render them victims. The transformation of those women's lives also transforms destabilised societies.

The principles of the universal declaration of human rights can be implemented through the empowerment of women through education and the use of micro-finance to give them equality. I believe that the struggle for gender equality is the moral challenge of this century, and that the future of the world depends on it.

4.40 pm

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Thank you, Madam Deputy Speaker, for the opportunity to speak in what I am sure will be a wide-ranging and interesting debate.

I have a business background, and I am pleased to note that the Government have put support for business at the heart of their plan to rebalance our economy. They seem truly to value innovation and enterprise. The success of businesses of all sizes will be vital to our recovery. I have been fortunate enough to visit and meet representatives of many businesses in my constituency—that is one of the most interesting and informative parts of the role that I play—but all the company representatives whom I have met have highlighted particular challenges that they face in the current economic climate.

Places such as Basildon and Thurrock have the potential to lead our recovery. I believe that they will benefit from the change of Government and the new emphasis being placed on business, and will be able to play their role as the economic powerhouses that we need them to be. I am especially delighted that the Government have recognised the vital importance of our small and medium-sized enterprises. I think that Members throughout the House agree that they will have a major role to play in our recovery, but they face particular challenges. Let me give three examples.

The first challenge is access to finance, an issue that has been raised a number of times in the House and has been much discussed. We have lost many good businesses because of lack of support from the banks, either because the banks have become too risk-averse or because they have simply not liked the sector in which those companies operate. It is worth our reminding, certainly, the publicly owned banks that they need to do much more to support our businesses: I believe that they have a moral obligation to continue to support the companies that they have supported in the past. There is also a role for Her Majesty's Revenue and Customs. I know of cases in which it has been too quick to pull the plug on companies, or too inflexible to recognise the cashflow problems that small companies may face. I hope that Ministers will think about whether more can be done to support them.

The second challenge is the burden of bureaucracy, red tape and regulation that falls on small businesses. I realise that it was designed to deal with the practices of unscrupulous employers, but I think we should recognise that the vast majority of SMEs value their employees greatly and treat them very well. Regulation must find a balance between dealing with unscrupulous employers and not overburdening responsible ones.

Many SMEs now have to employ external consultants to deal with ever-changing rules and regulations. They have to pay experts to help them to understand employment law and health and safety regulations. All that adds to the cost and burden of running their companies. While I recognise that employment law and health and safety regulations are vital to protect employees, there are sometimes unforeseen consequences. For example, if there were no statutory retirement age, it would be possible for an employee of many years' standing to be dismissed on grounds of competency rather than being able to retire with dignity. Employers may not want to take this path but feel that they must in order to address their own commercial needs.

We need to make it easier for SMEs to employ people. The reality, or the perception of the reality, is that it is too difficult or too onerous to take on staff, so SMEs hold back longer than they might. I hope we will be able to find a way of easing that burden so that companies will take people on earlier and help reduce our rising or our high unemployment figures. We also need to do more to help people in the transition from unemployment to employment. In my time at work, there were occasions when we had to lend money to new starters because the cost of work was more than those people could afford as they moved from benefits to employment.

Finally, I want to encourage the Government to have a greater understanding of small and medium-sized enterprises. The Government are doing their best, but I want them to recognise that small businesses in particular are not a homogenous mass. A small business is more like a collection of micro-businesses. A company of 10 people could comprise a salesman, a production manager, a fitter, a driver and a designer, all of whom have separate skills and separate roles. They operate within separate spheres and cannot easily pick up the slack when one of the team members is on a prolonged absence. I hope the Government will recognise that when framing future legislation.

In summary, I truly believe that the Government have the best interests of business at heart and have got off to a great start, but will they please remember that not all businesses are the same and that size really does matter? We need a different approach, depending on the scale of the business. I know that, with care, we can deliver an environment to support our businesses and firms of all sizes, and that SMEs will happily play their role in rebuilding and rebalancing our damaged economy. With our help, they will grow to enjoy the bright and prosperous new year that I know we all wish them.

4.47 pm

Phil Wilson (Sedgefield) (Lab): I take this opportunity to talk about an important issue that affects the economic welfare of my constituency and the north-east of England.

The Government recently postponed a decision on the intercity express programme. A final decision is to be made in the new year. The intercity express programme will replace the rolling stock on the east coast main line and the great western line. The previous Government appointed Hitachi as the preferred bidder, and Hitachi selected Newton Aycliffe in my constituency as its preferred site at which to build a new fleet of trains if the contract goes ahead. That means the creation of British jobs, a much-needed boost to the private sector in the north-east of England and the arrival of a major manufacturer in the region.

The Government are also considering an alternative train system that would entail coupling diesel engines to electric trains, an option that would more than likely mean that the trains would be imported from abroad, offering none of the benefits to the UK economy and adding further delays as the whole project would have to go out to tender again.

If there was ever a reason why the existing rolling stock needs to be replaced, it is evident today. The east coast main line is suspended between King's Cross and Peterborough, with trains breaking down here, there and everywhere. The trains rely on overhead electric cables, and when they are down the trains stop. The Hitachi trains are bimodal, which means that they can switch from diesel to electric and vice versa when the need arises. Southeastern operates such Hitachi high speed trains, which have an excellent record in the current bad weather. That is a ringing endorsement of the technology and work force.

Given the combination of the weather and poor rolling stock, the journey home to the north-east for me and many others will not be a very pleasant experience over the next 48 hours. But what is more important is the economic impact of Hitachi's desire to move to the north-east of England. The move to Newton Aycliffe would create 800 direct jobs and more than 7,000 jobs in the supply chain, many of them in the region.

[Phil Wilson]

Hitachi's investment would be the biggest investment in the north-east of England since Nissan back in the 1980s. It would also tick many other boxes for the Government. It would grow the private sector. There would be a £48 return on every £1 of public investment. There is no requirement for public sector investment until after the next election, well after the scope of the present CSR. More important is the additional income to the Exchequer from the creation of so many manufacturing jobs, the average wage being between about £25,000 and £27,000. The northern TUC has published a study by the Institute for the Study of Labour in Bonn, Germany, which revealed that such jobs at such rates of pay would generate about £13,000 per employee. In the case of the 800 jobs at Hitachi, that is £10.4 million a year in saved benefits and lost sums raised through direct and indirect taxes. If we consider the supply chain too, it has been estimated the figure would rise to over £100 million a year, a sum not to be sniffed at when we all want the deficit to be cut in a careful and structured way.

In Sedgefield, unemployment stands at 1,935. According to Government figures published last week, every unemployed person costs the Exchequer £7,800 in benefits and lost taxes. Therefore, unemployment in Sedgefield is costing the country about £15 million a year. That estimate is based on someone leaving jobseeker's allowance and earning £12,200 a year. I have two issues with that. The average wage is higher than £12,200, so the cost to the Exchequer per person unemployed will be higher. Secondly, it shows what a great paucity of ambition the Government have for those who are out of work that they believe a person will leave JSA and earn just £12,200 a year. We need real jobs with real wages and a real future. Hitachi would offer the area that, and that is why this is so important to my constituency. Hitachi coming to Newton Aycliffe would help the town fulfil its ambition. If the intercity express programme does not go ahead or the programme is ordered in from abroad, thereby exploiting British jobs, the people of the north-east will feel as if the door is being slammed on the region and on their future.

Finally, I want to thank the thousands of constituents who signed the petition supporting the Hitachi bid and the Northern TUC for its help, along with the North East chamber of commerce, Unite the Union, the Federation of Small Businesses, *The Northern Echo* and well over 100 companies in the region who have leant their support to the Hitachi campaign. The intercity express programme must go ahead if we are to see private sector growth in the north-east of England. The economic case has been made—more jobs, greater tax income, and the biggest investment in the region for 30-odd years. Hitachi has shown great faith in the north-east. It is time for the Government to do the same by giving the go-ahead to the intercity express programme originally proposed by the last Government and by allowing Hitachi and the north-east to get on with the job.

On that note, I wish everybody a merry Christmas.

4.52 pm

Peter Aldous (Waveney) (Con): May I wish you, Madam Deputy Speaker, and the House a happy Christmas and a peaceful new year?

As a chartered surveyor and an East Anglian representing a Suffolk constituency, the provision of infrastructure takes up a lot of my time. That has been the case not just over the past seven months, but over the past 27 years. Two things that I find myself saying with great regularity are, "We don't do infrastructure well in the UK" and, in an East Anglian context, "We talk about infrastructure a lot because we don't have any." The nearest motorway to my constituency of Waveney is in Holland, and Lowestoft has been waiting 75 years for a third crossing over the water that divides the town.

Infrastructure and job creation go hand in hand. A good transport system is a prerequisite for sustained economic growth and, conversely, poor infrastructure and congestion hold back growth and the creation of jobs. Historically over the centuries, Britain has had a great record of inventing and building world-class infrastructure that underpinned economic growth, whether the creation of the canal network, the engineering work of Brunel, or the building of the railways and the London underground. More recently, our track record has been poor. There has been no long-term strategic framework, projects have the gestation period of an elephant, and to many it appears that Britain has ground to a halt, as we sit in traffic jams and wait for trains that never arrive—and, at present, planes that do not fly.

In the past, local highway authorities pursued an ongoing programme of continually improving the local road network such as through regularly building bypasses and relief roads around market towns. They stopped pursuing such an approach 20 years ago. The result, in East Anglia at least, is that there is a large backlog of work to be carried out on such schemes as the Beccles southern relief road in my constituency, the Brandon bypass in the constituency of my hon. Friend the Member for West Suffolk (Matthew Hancock), and the Long Stratton bypass in south Norfolk.

Matthew Hancock (West Suffolk) (Con): The Brandon bypass was mentioned in my predecessor's maiden speech in 1992 as an urgent priority for the link between Suffolk and Norfolk. Although some progress has been made since, no ground has been dug. Does my hon. Friend agree that this is an awful long time to wait?

Peter Aldous: My hon. Friend very much proves my point. There is a need for local highways authorities to be given greater autonomy to carry out local projects. The geography of East Anglia is such that, in many respects, the provision of good infrastructure is not easy. Ours is a sparsely populated area, with relatively small regional centres, such as Norwich, Ipswich and Colchester, interspersed with coastal and market towns, and myriad villages. Today, the case for providing good infrastructure in East Anglia is compelling. There is a need for good roads, as East Anglia has a greater reliance on private vehicles than any other UK region. The area is relatively inaccessible compared with similar regions around the world with which we are competing for inward investment. Despite those drawbacks and the relative inadequacy of infrastructure in East Anglia, its economy performs extremely well. In terms of gross domestic product, it is the third top performing region after London and the south-east, and is a positive contributor to the Exchequer. With proper investment, East Anglia could contribute a great deal more.

The time is right for Britain to resume its role as a world leader in the provision of infrastructure. I have read the Treasury's national infrastructure plan, which was published in October, so I know that the Government's policies appear to be pointing in the right direction, but they now need to see them through. The UK is one of the most expensive countries in which to build infrastructure, with engineering works here costing 60% more than they do in Germany. In East Anglia, we have the opportunity to provide a 21st century infrastructure model, and I will conclude by outlining its main features.

First, we need to tackle the pinch points on the roads and railways. I welcome the support that the Government have already given to the dualling of the final 9 miles of single carriageway on the A11 and the improvements to the Felixstowe to Nuneaton freight railway line. Both those projects will bring undoubted benefits to the region and will lead to the creation of new jobs. Other projects, some of which are in my constituency, will have similar benefits. The Beccles loop on the east Suffolk railway line, which the Government are supporting, will improve accessibility, as will the other two schemes that I have mentioned—the Beccles southern relief road and the third crossing in Lowestoft. The southern relief road will open up commercial land for development and will remove lorries from the town centre, thereby enhancing the town's attraction as a shopping centre. The third crossing will have similar benefits for Lowestoft; it will open up commercial sites and help the regeneration of the town centre by reducing congestion. It will act as a catalyst for increased regeneration activity and for further investment in Lowestoft, providing an opportunity to create a perception of a positive and business-friendly location. It will enable Lowestoft to realise its full potential as an international centre for renewable energy.

There is also a need to invest in the infrastructure necessary for the energy sector to thrive. That means upgrading the electricity network, with a new offshore grid, greater interconnection with Europe and a smart grid and smart metering. The provision of superfast broadband across Suffolk and the rest of East Anglia is of crucial importance to the creation of jobs, particularly in hard-to-reach rural areas. The Government's broadband strategy, which was published last month, goes a long way in setting out how that can be achieved. Suffolk needs to be in the next round of broadband pilots and I, like my fellow Suffolk MPs, will be campaigning hard for its inclusion.

Elizabeth Truss (South West Norfolk) (Con): Does my hon. Friend agree that the current state of broadband in Norfolk and Suffolk is not acceptable and is holding businesses back? In particular, some villages are complete "not spots", where broadband cannot be accessed.

Peter Aldous: I agree entirely with that observation. The other Suffolk MPs and I are building on the strategy that has been put forward by Suffolk businesses, and we will take full advantage of the presence in the county of BT, which owns much of the infrastructure and has its research centre at Martlesham. Suffolk offers a unique opportunity for BT to show what can be done in delivering comprehensive high-speed coverage across the whole county, including in those hard-to-reach areas. To move the situation forward in Suffolk, BT needs to provide information on exactly when it intends to intervene and which exchanges in Suffolk it will upgrade. That will allow other, smaller providers to work on a bottom-up basis to consider which of the remaining areas they will be able to reach.

My Christmas message to the Government is to thank them for providing the framework for a 21st century infrastructure, and to urge them to make the necessary investment in East Anglia, so that we can play our part in securing the recovery, rebalancing the economy and creating new private sector jobs.

Hilary Benn (Leeds Central) (Lab): On a point of order, Madam Deputy Speaker. Have you had any indication that the Business Secretary intends to come to the Chamber this afternoon to make a statement on his policy on News Corporation's bid to take full control of BSkyB? As you may be aware, it is reported today that the Secretary of State has said that he has

"declared war on Mr Murdoch and I think we are going to win."

Given that he is acting in a quasi-judicial capacity in considering that takeover, surely he must immediately step aside from any further involvement with that decision. Can you advise us whether you have been notified that either the Business Secretary or, indeed, the Prime Minister intend to come before the House today to confirm that that is what will now happen?

Madam Deputy Speaker: I am grateful to the right hon. Gentleman for raising that point of order, which I think I can deal with quite succinctly. I have not received any notification that the Government are to make any comments, whether from the Business Secretary or anybody else this afternoon, on the matter that the right hon. Gentleman has raised, but I am sure that Government Front Benchers will have heard him.

5.1 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The current chaos on our roads is expensive for individuals, businesses and the country as a whole, and, although we cannot control the weather, we can control the way in which we respond to it. I have mentioned winter tyres in previous debates and been told that they are not appropriate for this country. I shall try to convince the House that they are.

Winter tyres are designed to be more effective than regular tyres in temperatures under 7° C on any type of road, and the Met Office advises us that for most of the winter even this country is below 7° C. They are manufactured with a larger percentage of natural rubber and silica in the compound, which does not harden as much as synthetic rubber in cold conditions. They have a tread pattern designed to cope with slush and cold rain, as well as with snow and ice, and they are safer than any standard tyre in cold, dry conditions below 7° C, because the tread compound heats up at lower rolling temperatures to create grip in low temperatures.

I am not arguing for studded ice tyres or snow chains. I make that point explicitly, because even the Transport Secretary seems to have misunderstood me. Both cause damage to road surfaces, and I understand that snow chains are illegal unless they are used on a road surface with compacted snow. Winter tyres work, however. I do not claim for one moment to be an expert on tyres or

[Ms Gisela Stuart]

even on cars, because I am proud of myself when I have worked out which side the petrol cap is on. However, when I look at the reviews of such tyres, I find real evidence that they are safer and much better.

One such tyre is the Goodyear UltraGrip 7 +, and it is interesting if we compare tyre performance on braking distances. I declare an interest, because that tyre is produced by Goodyear Dunlop Tyres, which is based in Birmingham. *[Laughter.]* It may not have escaped Members that I am a Birmingham MP.

Neil Parish (Tiverton and Honiton) (Con): Irrespective of whether Goodyear is based in the hon. Lady's constituency, I very much support what she says, because much of northern Europe, which experiences such snow, has winter tyres. It is always said that the Government or the councils must provide for the roads, but, when we have inclement weather, and if we are going to have a lot more snow, winter tyres might be one solution.

Ms Stuart: I thank the hon. Gentleman. The factory is not in my constituency but in that of my hon. Friend the Member for Birmingham, Erdington (Jack Dromey), who is sitting right next to me; Birmingham and Goodyear Dunlop are well represented in the Chamber this afternoon.

It is important to realise what a significant difference a winter tyre makes. When that Goodyear tyre was tested at a speed of 25 mph, it was found that its braking distance was six car lengths, or 25 metres, better than that of a summer tyre. That is not insignificant. Similarly, when comparisons were made in wet conditions conducive to aquaplaning, that tyre's performance was about a fifth better—grip was about 18% higher—than a normal tyre's.

People often say, "I've got ABS, so I don't need winter tyres," but that is completely to misunderstand the function of ABS, which allows someone to continue to be in control of steering when braking. It was never meant to deal with adverse road conditions.

Guy Opperman (Hexham) (Con): A business man from near Hexham has all his employees on winter tyres. He put the issue very simply to me; he said, "You wouldn't go out wearing flip-flops in winter. You would put on suitable footwear. Why do we not do the same with a car?"

Ms Stuart: I am grateful for that intervention because it takes me back to when I first arrived in this country 35 years ago. One of the things that always struck me is that the Brits are extraordinarily happy to talk about the weather, but very reluctant to take any notice of it in their behaviour. I have seen Brits wearing flip-flops in the middle of winter, but I agree with the hon. Gentleman that that ought to stop.

Andrew Selous (South West Bedfordshire) (Con): Can the hon. Lady give us a rough idea of how much a set of four winter tyres would cost?

Ms Stuart: That is an important question. The issue is not only how much the tyres would cost, but how much people could save on their summer tyres. Furthermore, insurance companies say that the probability of an accident in adverse weather conditions goes up by 257%. There is the issue of avoiding accidents and the kind of snarl-ups on our motorways and roads caused by drivers—usually in continental rear-wheel-drive cars, the Mercs and BMWs, which were designed to have winter tyres—not being able to deal with not terribly steep inclines. The straightforward equation is that winter tyres probably do not cost as much as people think, and could save us a lot of money. The costs would depend on which tyre was chosen and whether one got a whole set of new tyres.

The industry says that in winter or when temperatures are below 7° C—that is, most of the winter—only 2% of people in this country drive cars with appropriate, winter tyres. In other words, 98% of people drive on unsafe tyres, so there is an argument for providing incentives for them to get the winter ones. At the moment, insurance companies are raising rather spurious points about whether winter tyres are modifications to the original tyres. I challenge the industry: just as there are rebates on house contents insurance if there are the right locks in a house, insurance companies should give rebates to those using winter tyres.

Furthermore, emergency services vehicles, whether ambulances or police cars, should as a matter of course have winter tyres because that would make them safer and save the country money; the practice should not be restricted only to some companies.

Guy Opperman: If I am not mistaken, it has become the law in Germany to use such tyres. If tyres are swapped over at the right time, there is fundamentally no extra cost.

Ms Stuart: That is very true. Having grown up in Germany, I can vouch for the fact that the weather there is more regularly as fierce as it has been here. I would not advocate compulsion; the last thing that people want these days is to be forced to do anything more. It is a question of persuasion.

The Dutch managed to increase the use of winter tyres from 0.5% to more than 10% over 10 years through simple awareness campaigns. People here just do not think about the issue. I am glad to say that the Secretary of State for Transport seems to have changed his view between 2 December, when he thought that winter tyres were inappropriate, and now, when he says that those who can afford them should use them.

Matthew Hancock: The hon. Lady says that it is a matter of persuasion. After listening to her speech, I have also changed my mind. I am extremely persuaded and know what I shall ask for for Christmas.

Ms Stuart: I am absolutely delighted to hear that—*[Interruption.]* As my hon. Friend the Member for Birmingham, Erdington said, we approve of that provided it is a Dunlop tyre made in Erdington.

The key thing is for people to behave in a manner that is appropriate to the weather conditions and to think ahead and order a set of tyres—whichever ones they choose—now, so that they have them in the winter. People should not make a fuss about it. Such an approach will save people money, save lives and save the economy. It is the right thing to do and we all ought to do it.

5.10 pm

Mr David Amess (Southend West) (Con): Before the House adjourns for the Christmas recess, I wish to raise a number of issues. Although I was delighted to see the back of the previous Labour Government and their totally discredited leadership, in recent years I have not been entirely content with the quality of ministerial responses to inquiries. We all understand that civil servants draft the letters, but if I get any more unsatisfactory replies, I will just scrawl across them the words "Not good enough" and send them back where they came from.

Joanna Cranfield was born with one arm. At the moment, I can use only one arm so I know that it presents challenges. My arm will get better; my constituent's arm will not. She is 17 and is a very talented swimmer, who I hope will represent us in the 2012 Paralympics. Since the age of two, she has had a blue badge disability living allowance and carer's money for her mother. Yet all that stopped at the age of 16. That is utterly ridiculous and I expect Ministers to address the matter.

My constituent Mr West took out his policy with Equitable Life before 1992. As is the case with other with-profit annuitants who took out policies before the September 1992 cut off date, he will lose a great deal of money. Unlike those who took out policies after 1 September 1992, Mr West will lose £100,000. I had certainly not appreciated that someone such as my constituent would be excluded from payments. How on earth can that be right? Again, I expect the Government to address the matter.

On Camp Ashraf, I am delighted to say that the early-day motion I have tabled has attracted 140 signatures. I am very concerned about the circumstances of the 3,500 people and 1,000 women in Camp Ashraf. Those residing in the camp have undergone psychological torture and serious medical restrictions. The UK Court of Appeal found that the People's Mujahedin of Iran was not involved in terrorism and yet it still appears on the US terror list. That is absolutely disgraceful and I very much hope that Ministers will support the PMOI and allow Maryam Rajavi to visit this country.

My constituent Stephen James Bristow is serving a 26-year prison sentence in Thailand for possession of 24 grams of amphetamine. His parents, who are 74 and 78, came to see me recently. He shares a cell with 50 people in absolutely unbelievable circumstances. His flatmate was apparently responsible for the drugs and has committed suicide. I am asking a Minister to intervene, so that we can at the very least get that gentleman back to this country to serve the rest of his time.

Another constituent, Jackie Currie, was the chairman of the National Association of Official Prison Visitors, which is a very successful organisation that helps to represent the interests of official prison visitors. Recently, that organisation has undergone a change in its leadership and has petitioned to become a charity. The Ministry of Justice grant agreement—the main source of funding—states that the grant was awarded for activities around official prison visitors, including helping the National Offender Management Service to maintain a central database of said visitors. The charitable status puts at risk that whole concept and basically means that the organisation will not function properly. Again, I hope that Ministers will intervene.

Another constituent, Cherry Sholem, finds that her son, who has learning difficulties and suffers from dyspraxia, is not doing well in mainstream school. The simple fact is that Southend council cannot afford to provide the sort of education that Mrs Sholem believes her son should receive. I think that I have now had somewhere in the region of 1,000 e-mails from Mrs Sholem, so I would be grateful, again, if a Government Minister could assist.

I have been dealing with the case of Mr Ian Shirley and his partner, Ms Ida Hammond, who sadly died as a result of ill-health caused by the late stages of dementia. They were partners for 29 years and lived together for almost 10 years. Following complaints by Ms Hammond's children, she was taken without explanation from Mr Shirley's care and placed in a care home. She sadly died later. Again, I am asking for a Minister to intervene on that issue.

The ambassador to the Holy See, Francis Campbell, retires in a month's time. On behalf of all the members of the all-party group on the Holy See, I wish to pay tribute to him for all his excellent work.

Finally, I want to wish everyone a very happy Christmas, good health, peace, prosperity and a wonderful new year.

5.15 pm

Jack Dromey (Birmingham, Erdington) (Lab): I congratulate my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) on initiating the debate on winter tyres. I should like briefly to say something about the impacts and benefits. The impact on the economy of what has been happening over the past seven days has been enormous. Last weekend, the retail sector in Birmingham, which was suffering gridlock, lost a third of its anticipated business. Distribution and logistics companies in the midlands such as DPD and TNT, which serve retail and manufacturing industries and Royal Mail, have had immense problems in discharging their responsibilities at their busiest time of the year. Royal Mail itself has had to take on an additional 7,000 employees. I pay tribute to the remarkable postmen and postwomen out there in all weathers serving this country well.

The impact has also been felt in terms of accidents. Last weekend, the ambulance service in Birmingham had 3,000 calls in one day—Saturday—many of them about very serious accidents that occurred as a consequence of the appalling weather that hit the city.

Increasingly, the problem is that citizens are struggling to get where they want to in Britain—even to admirable counties such as Suffolk and Norfolk. The benefit of winter tyres is therefore absolutely clear. Sadly, we no longer have the tyre industry in Britain that we once had. At its height, Fort Dunlop in my constituency had 15,000 employees. There is still the aircraft tyres factory that employs 400 people; it is a highly successful company. Britain no longer has mass production of car tyres. However, we still have the Michelin factory in Stoke and the Goodyear factory in Wolverhampton. I know both factories very well and visited them personally when I was deputy general secretary of Unite. Both have the capacity and technology to manufacture winter tyres. If we were to promote winter tyres, as we must, given the chaos of the past seven days and the certainty

[Jack Dromey]

that we will have further bitter winters of the kind we are encountering at the moment, the benefits would be enormous for our economy generally and for the motor manufacturing cluster in the midlands, employing 150,000 people, in particular.

My hon. Friend the Member for Birmingham, Edgbaston is absolutely right to raise this issue, because winter tyres will save money if insurance companies incentivise; she is right when she says that that would be the thing to do. The evidence from continental experience is that that would save them money in reduced insurance claims. It would save lives and it could create jobs. Let us hope, therefore, as we wish this House a very merry Christmas, that this is the last winter in Britain that we see this lack of winter tyres. The future must lie in people being smart, buying British, buying winter tyres, saving themselves money, and being able to get to admirable places such as Suffolk and Norfolk.

5.19 pm

Matthew Hancock (West Suffolk) (Con): It is a pleasure to speak after such erudite speeches from both sides of the House. I will speak on a matter that is specific to Suffolk and Newmarket and that affects the racing industry across the country.

Charles II was the first to make Newmarket the headquarters of the horse racing industry, and it is now its global headquarters. I will speak briefly about Newmarket's position as the headquarters of that great sport. In Newmarket, there are 2,500 racehorses in training, 70 miles of gallops, 62 studs, the world leader in equine sales in Tattersalls, 79 training yards and 5,000 people who are directly or indirectly associated with the industry. Many of those people and organisations support me because I am an unambiguous supporter of the racing industry. The industry contributes to the economy across the country, making £3 billion and employing 100,000 people.

The future of the sport is tied intimately to gambling and the people who place bets on races—that includes many Members in this Chamber. We know that people love to bet. *[Interruption.]* Members are shaking their heads, but I think that it is an honourable and enjoyable thing to do, rather than something to query. Money from betting makes up 50% of prize money in racing, and that prize money attracts owners to race their horses and attracts some of the biggest international names to invest money in Britain. Heads of State, international business men and sportsmen, and punters who can afford to own a whole or part of a horse, love to race. Part of the thrill of racing is the potential for a prize.

The sport is not without its problems. The amount of money from the horserace betting levy that is transferred into prizes has fallen from £115 million to £75 million over recent years. Prize money in Britain is, on average, the 37th in the world. The levy, which was first put in place in 1961, is highly bureaucratic. Each year, it depends on the decision of the Secretary of State for Culture, Olympics, Media and Sport on how much money should be transferred from the gambling industry to racing, to reflect the product that racing provides for people to bet on, and therefore for the gambling industry to profit from. The transfer of value is a policy response to the value provided by racing, which everybody can bet on. That bureaucratic solution, which ends up with a decision by the Secretary of State, is extremely old-fashioned.

Peter Aldous: I speak as a racing enthusiast who often makes his way across Suffolk to visit the race course in my hon. Friend's constituency. Does he agree that there is something very wrong in the way in which racing has been financed for the past 50 years, in that other sports, such as football and cricket, sell their television rights to television companies, whereas racing has to pay Channel 4 to show it?

Matthew Hancock: I am glad that my hon. Friend raised that important point. Sorting out the pictures from racing and where the money from those pictures goes to is an important part of having a sustainable future for racing. There is an issue with the sale not only of the pictures, but of the product upon which so many bets are laid. We must consider the future of the transfer of value from the product.

In the short term, the Secretary of State has a consideration to make over the coming months. I urge the Government to find in racing's favour on the grounds that for a sustainable and successful racing industry, on which the gambling industry depends, there must be a reasonable transfer of value from gambling to racing. I also urge them to examine long-term solutions—for instance by removing the threshold under which betting shops pay no levy, by ensuring that offshore betting on UK races is levied upon, and by examining betting exchanges in which an ordinary punter lays the bet rather than an organisation. Such bets escape the levy, but the laying of a bet in any circumstances, whether by a corporate organisation or a punter, is still part of the turnover of betting.

In Ireland, a 1% levy on all wins has just been introduced, to recognise the transfer of value involved. That applies across all sports, so that racing is not separated out in the way that my hon. Friend the Member for Waveney (Peter Aldous) alluded to. The French have a system of a 1% transfer of value, plus saleable rights to bet on the industry. I urge the Government to consider all such options.

Everybody involved in the debate, whether on the racing side, the gambling side or in between, would agree that there is a desperate need for the levy to be modernised. In an environment in which money is tight and a bureaucratic system has existed for many decades, there is great pressure to get it right. That pressure is increasing, because racing is increasingly a world sport rather than merely a domestic one. The amount of money that is bet offshore is recognition of that. It is critical that we seize this moment to secure for Britain global leadership, in the future as we have had in the past, in this golden sport on which my constituency thrives.

5.26 pm

Guy Opperman (Hexham) (Con): May I start by wishing everyone here in the House of Commons a very happy Christmas? The staff do an amazing job, and I am deeply grateful to them for their last seven months of work.

I must declare an interest as a former jockey who, for his sins, still rides as an amateur. I probably would not have got through my school days were I not also a former bookmaker. I financed a large part of my school days by running an illegal book when I was aged about 12 and 13, and I avoided the law very impressively. It is a wonder I ever survived.

I have also been lucky enough to have ridden upsides a wealth of great jockeys, and I know Tony McCoy, for example. I congratulate him on winning the BBC sports personality of the year award. He once got off a horse of mine at Fontwell Park, which is a weird and wonderful figure-of-eight track unique in this country, and he said, "Do you know, you should have ridden this horse. You would have probably done better, the two of you." People cannot comprehend what a compliment that was from the man who has won 15 champion jockey's titles and has been undefeated as champion jockey since 1995. He was clearly wrong in his estimation of my abilities as a jockey—he was always very charitable when off the horse, but uncompromising when on it.

Matthew Hancock: I, too, warmly congratulate Tony McCoy on his victory in the sports personality of the year award, and of course on his grand national win this year. Does my hon. Friend agree that that sports personality of the year victory shows just how highly the nation values racing, and therefore the urgency and importance of the Government's decision?

Guy Opperman: I endorse that comment entirely, and I see that my hon. Friend is wearing his royal purple, from the outfit that he is going to wear to Newmarket or wherever the next race will be.

We are dealing with one of the most impressive, successful and world-renowned sports, and we must do everything we can to support it. I speak as someone whose father rode in the grand national, and who represents the wonderful constituency of Hexham. It has many assets, not least the amazing race course that sits high above the town. From there, one can see Hadrian's wall and three or four counties, and it is worth going there. I rode there in June 2009 and I confess that I am trying to persuade someone else to give me a ride again. But it is proving a little difficult as most people do not regard an ageing politician as their ideal jockey.

It is a sorry tale that the betting levy has been in such dispute for so long—in the House and in the racing forum. We are one of the few world leaders, on many levels and, if we fail to support racing, it will be the worst kind of short-sightedness. Both sides of the dispute accept that they have to run their organisation better and that the product must be improved. Many people are improving it—there is now much more diversity to the racing product. For example, 10 or 15 years ago, the idea that one would go racing and, at the end, watch Madness or Girls Aloud would not have been believed. Yet 20,000 people come to see them, and get everything going. That is a great credit to racing, but not enough is being done.

The overwhelming impression is that far too many have the bookmakers' interests at heart. Since I became a Member, I have been struck by the might of the bookmaking industry. The truth is that bookmaking could not survive in its current form without horse racing. I therefore urge Ministers to do everything possible to support the work of trainers and the Jockey Club to sustain racing.

We are considering a small amount of money. One must not forget that in 2008, the levy was £115 million and in 2010, it was just over £75 million. That is the difference between total success and abject failure. None of the businesses, trainers, owners, jockeys—none of the infrastructure—would survive without adequate support from the levy.

It is a crucial decision. We are world leaders in so few things. One could argue that we were best at being unable to cope with snow until the great arrival of German winter tyres to bring us through. However, we are world leaders in one brand—horse racing. Clearly, investment needs to be made in the future of that great product. We need only look at the breeding that supports the infrastructure, and the hundreds of thousands of people who work day in, day out. I have been a stable lad and done my three horses.

Peter Aldous: I wholeheartedly endorse the policy that both my hon. Friends espouse. Do they agree that racing interests would be best served by speaking with one voice? There are currently too many sectional interests.

Guy Opperman: There is a diverse set of interests, largely because many individuals work on an individual basis, whereas bookmakers are multinational, FTSE 100, powerful companies. Betfair is one of the major companies launched in the past few years and Ladbrokes and William Hill are big companies. It would be better if we could speak with one voice. Racing is trying to do that.

I urge hon. Members to think of the sense of community and the wondrous people in Lambourn, Newmarket, Malton and Pulborough. They are special places, which we will lose if we do not get behind Ministers, and Ministers do not make an effort.

Horse racing is a wondrous and special sport. On 26 December, the whole world will be focused on Kauto Star's attempt to win his fifth King George. I urge the Parliamentary Secretary to encourage us all to get behind the fight for racing, which cannot be allowed to wither and die. That will happen unless we change things.

5.34 pm

Duncan Hames (Chippenham) (LD): Merry Christmas, Mr Deputy Speaker.

I rise to make a plea to the Department for Transport to rescue my constituents from their plight. I am referring not to the temporary difficulties caused by unexpectedly seasonal weather, but to the long-suffering of my constituents on overcrowded First Great Western services in some parts of my constituency, and to their suffering from the woefully absent services in other parts.

However, before I speak about that, I should like to raise the urgent matter of the forthcoming closure for refurbishment of the Chippenham driving test centre. The Under-Secretary of State for Transport, the hon. Member for Hemel Hempstead (Mike Penning), who has responsibility for road safety, has previously heard my calls for Wiltshire residents not to have to travel so far for a driving test. Many have experienced that difficulty since the closure of the Trowbridge driving

[Duncan Hames]

test centre under the previous Government. However, should plans to close temporarily the Chippenham centre proceed in February, learner drivers in Wiltshire will have to travel as far as Bristol, Swindon or Salisbury. The good news is that the former driving test centre premises in Trowbridge are still available, and I urge the Minister to request that the Driving Standards Agency considers moving the Chippenham centre operation to Trowbridge during the period of those works.

I am always happy to offer solutions to the Government when I seek action from them, including in respect of the overcrowded trains to which I referred. Just over a month ago, the Transport Secretary set out his proposals for future rail investment, including one to cascade 650 additional carriages to the network outside London by March 2014. I should like to make the case for assigning even just one of those carriages to the trans-Wilts line, which links the five largest population centres in Wiltshire.

The line was a popular and well used service until the start of the current First Great Western franchise in 2006, when the requirement to provide a meaningful trans-Wilts service was dropped by the previous Government. Overcrowding is currently a serious problem on trains in and out of Bath. The problem is made worse because passengers cannot travel directly between Trowbridge and Chippenham—they are forced to re-route through Bath.

The Cardiff to Portsmouth line particularly suffers from overcrowding, as I told the Secretary of State following his statement. I am in no doubt that that line warrants some of those additional carriages. However, I suspect that without the benefit of some local knowledge, his officials could overlook the contribution that a single extra carriage assigned to the trans-Wilts line will make in alleviating the problem, since it will provide the direct route that is currently missing at all but the extremes of the day.

For example, at Melksham, there are currently only two train services each way a day, scheduled at deeply unhelpful times for commuters. A worker from Melksham who wishes to use those services to travel to work in Swindon would be obliged to work a 12-hour day before counting their travel time. To say the least, that is impractical. A single extra 153-class carriage would make possible four extra return services per day between Swindon and Salisbury. In due course, with a second 153 car, a regular and reliable hourly service throughout the day would be possible. At the same time, that would relieve pressure on overcrowded trains through Bath.

In the debate following the Secretary of State's announcement on 25 November, he assured me that decisions to allocate those carriages will be determined not by the commercial position of franchisees, but by the wider economic benefits that extra capacity can bring. The trans-Wilts line can pass that test. For a start, there are no infrastructure constraints to expanding that service—no new track to lay, and no platforms or buildings to construct. There is passenger demand for such a service. Figures show a 10% growth in passenger numbers in west Wiltshire each year since 2005. The trans-Wilts service operated by Wessex Trains between 2001 and 2006 experienced strong year-on-year growth in passenger numbers, and more than 500,000 people live in the crescent between Swindon and Salisbury, which the line serves.

Indeed, the Wessex chamber of commerce and other local businesses have added their strong support for a service at economically meaningful times to connect the county's population centres. The service would indeed support the footprint of the local enterprise partnership that is planned for Swindon, Wiltshire and Gloucestershire. Wiltshire council has plans temporarily to move offices to close to Melksham station next year, which would provide an additional boost to demand while the service establishes itself.

That is a strong economic case, and I must pay tribute to the TransWilts Community Rail Partnership, which continues to co-ordinate the campaign for better rail services in our area. Improving the trans-Wilts line is not a costly or high-risk proposition. It is simply a bid to regain a service that was popular and well used, and which should never have been removed from the franchise in the first place.

I do not make a habit of writing lengthy or over-optimistic Christmas lists. Some hon. Members will receive a shiny, high-speed train set for their constituents, but for me and the long-suffering commuters of Wiltshire one or two second-hand carriages would grant us our Christmas wish.

5.40 pm

Andrew Selous (South West Bedfordshire) (Con): Christmas is a time that parents look forward to celebrating with their children when they can. However, for many parents that is not possible—and I am thinking not only of our troops in Afghanistan, but of the 3 million children in this country who live apart from a parent and, in particular, of those who are caught in the family justice system. I think particularly of non-resident parents who are trying to get access to or have contact time, as it is called, with their children. This issue also affects grandparents, aunts and uncles to a very great degree.

Sadly, it is abundantly clear that the present family justice system is much too slow. Its processes are greatly abused by parents with no penalty or sanctions applied. It is far too expensive in many cases. One of my constituents, a father, came to see me to say that he had spent more than £8,000 obtaining a court-sanctioned contact order to see his children. He did not abuse that order, but it was not honoured and he could not get it upheld by the courts or the police. Unsurprisingly, he was then short of money to pay maintenance as he wanted to do.

The most vivid example of the failure to honour a court order came from a warrant officer who came to see me. He took his civilian overcoat off and underneath he was in uniform. On his chest was his badge of office—a crown, as those who have served in the armed forces will know—and he put the court order on the table in front of me with the crown of the court on it, stipulating that he should have time with his children every other weekend. That court order was not honoured, and it was not upheld by the police or the courts. He felt deeply let down.

John Hemming (Birmingham, Yardley) (LD): Does my hon. Friend see merit in a default position, whereby both parents have a duty to maintain contact with the children without having to go to court first?

Andrew Selous: We can learn a lot from countries such as Australia, which has a much more shared parenting approach, uses much more mediation and is generally more successful.

Another of my constituents is a young father who has a valid contact order in place. He previously had full custody of his little girl. He is not in any way dangerous—indeed, he is a devoted dad. He last saw his daughter in July. She cries out when she sees him and her grandmother in the local shopping centre, longing to be with him. He has tried since July to get a court date to see her before Christmas, but that has not been possible. He left my surgery in tears after I had updated him on what the family court service had said about his case.

Another constituent also had a valid contact order and on 21 June, the Monday after fathers' day, he received a text to say that the mother of his child had disappeared, leaving no address. Even after a court seek-and-find procedure, no address was provided. A first court date was set in a court a long way away from where my constituent lives, but it was adjourned. When the case did get into court on 4 October, the proceedings were shambolic, the judge was not well briefed and the appropriate file was not there. The case was adjourned again until 30 November and, on 28 November, the mother succeeded in getting that hearing adjourned, as—allegedly—a medical report on the child was not ready. When my extremely persistent constituent finally got the case into court earlier this month, he found that the medical report was dated 18 November and had been available for the earlier court hearing, but of course there was no sanction on the mother. The courts allow difficult parents to deprive their children of a relationship with their father.

I am proud to be an MP for a Government who are radical and reforming in many ways, and I put it to the House that we need radical reform of the family justice system. We need a system that is much less winner takes all, less confrontational and less expensive; and we need a system that provides proper enforcement of court-sanctioned contact orders.

Matthew Hancock: Has my hon. Friend seen the Public Accounts Committee and National Audit Office reports into CAFCASS, showing that the extremely moving examples that he has highlighted today are not isolated cases but part of a wider problem in the family court system?

Andrew Selous: I am grateful to my hon. Friend for raising that issue. He is right. The problem affects every single one of us in the Chamber and is an issue on which we need urgent progress. The input of mothers and fathers, where safe—that is the vast majority of cases—is hugely beneficial to children.

The language we use in these cases is extremely unhelpful. I really dislike the terms "non-resident parent", which suggests some sort of absentee parent forced to leave their own home, and "parent with care"—why should one parent have to do all the caring? Is that not unfair to mothers, to whom it often applies? The term "contact" is a cold and unfeeling term for what is the strongest of all human bonds. Would "daddy time" or "mummy time" not be more appropriate?

On the point made by my hon. Friend the Member for Birmingham, Yardley (John Hemming), Australia takes a much better approach. Its approach, which was introduced hand-in-hand with reforms to the child maintenance system, is to regard a separated couple as two single parents, with the emphasis, wherever possible, on as much shared parenting as possible, not on one "parent with care" and a distant "non-resident parent". That matters greatly, because there are very positive results for children when separated parents are involved in their children's lives. Earlier this year, one of the most recent academic studies on this subject, by Fabricius et al, showed that when separated parents are involved to a greater degree with their children, it produces better school results, fewer suspensions and lower drop-out rates. There are clearly positive results to be had, so we need a real change of emphasis in this area. We need people in the public sector, such as general practitioners and teachers, to take the rights of non-resident parents seriously where the latter want to be involved in their children's lives.

I would commend Australia again. In Perth in western Australia, it was found that one of the reasons parents with care were giving for not allowing contact time with children was their concern that the fathers would not be able to look after the children properly. As a result, courses in child health were set up for fathers to facilitate greater shared care—a very practical suggestion. I put it to the Minister, therefore, that on this issue we have made too little progress for far too long, causing far too much heartache to too many of our constituents. As I wish you, Mr Deputy Speaker, and all Members and staff of the House a very happy Christmas, I ask everyone to reflect briefly on those good parents who long to be with their children this Christmas but who will be denied that opportunity.

5.48 pm

Richard Harrington (Watford) (Con): I am sure that I speak for everyone in the House in saying that this has been a most interesting and informative debate. I, for one, have learned a lot about subjects that I hardly knew existed as subjects, although I feel somewhat inadequate that my constituency does not have a race track or, indeed, a tyre factory—I hope that those things can be remedied as soon as possible.

I want to speak about unemployment levels, which is a subject that affects most hon. Members' constituencies, and what I believe charitable organisations can do to help to alleviate it. I have done a lot of work on unemployment in Watford. At 3.1%, we do not have a particularly high unemployment level in gross terms, but we do have a lot of young people—the figure has nearly doubled in the past two and a half years. We also have quite a few people on incapacity benefit, many of whom wish to be taken off it and to move into work. I feel that the system has very much failed them. During the summer I commissioned a research project with some students to look into unemployment, speaking to young people in particular. We were quite amazed at how many of the 560 young people on jobseeker's allowance were at home, demoralised and demotivated, making it difficult for them to go out and get work.

My central argument today is that we should encourage the charitable sector to help to alleviate the problem, because I believe that it can do far better than some of

[Richard Harrington]

the commercial providers that are currently involved in the different job schemes. Last week I met a remarkable lady who is the mother of one of my constituents who is registered disabled. Lindsey Gibson has some problems with speech, but she is determined to get herself a job. She told me a tale of how firms such as Kennedy Scott are paid a lot of money by Government, with the best of intentions, to get people off jobseeker's allowance or incapacity benefit. However, often people turn up and are told to leave after five minutes because there is no one there to teach them or because the computers are not working—they are given every excuse under the sun. It is quite disgraceful that such companies are not monitored, and my constituent is only one of a number of people who have mentioned this to me.

Let us look at the two new schemes that have been brought forward and how they use charitable organisations. Under the Work Together scheme, Jobcentre Plus encourages unemployed people to consider taking up voluntary work while looking for paid employment. Miss Gibson, whom I saw last week, was discouraged from doing that in the past, because people said that while she was doing voluntary work she was not able to look for work and would therefore not qualify for benefits. The Government are changing that, which is absolutely right. Doing voluntary work could mean working in a charity shop, which gives people confidence and allows them to network with other people. The hours are often flexible enough to allow people to go to job interviews and do what they really want to do. We have to encourage that. We cannot have rules that say that people cannot do more than 16 hours a week.

Work Choice, which is the other programme, is doing good work in Hertfordshire, and in Watford in particular, via the Shaw Trust, a charitable organisation that helps disabled people into work. Progress is being made. I would encourage the Government and charitable organisations to get involved in that work, because they can do it a lot better than private enterprise. If we had a race course or a tyre factory where people could work, things might be different, but we do not. We have to make do with Camelot—it is not involved in gambling, because people are playing a game—which employs 700 people. Camelot is a serious organisation; the reason I mention it is that it works in the community on helping people to get jobs. Some private companies are so fattened by the fees that they have received for training courses that I am reminded of that old advert—I think it was for Bran Flakes—in which people on a boat sang, "They're tasty, tasty, very, very tasty. They're very tasty." This has to stop, so the more that we can deal with charitable organisations, the better.

I wish everyone a happy Christmas and a happy new year. I hope that hon. Members sympathise, as I do, with the Deputy Leader of the House, because how he will deal with all these different subjects between now and Christmas and the new year I do not know.

5.54 pm

Elizabeth Truss (South West Norfolk) (Con): I realise that many colleagues' minds will not be on the business of the House, but on their Christmas lunch. If they are still in search of provisions, may I suggest that they head to Norfolk, where they can find their entire lunch? If they should be stuck in Norfolk, because of the inclement weather—

Andrew Selous: Or because they do not have winter tyres.

Elizabeth Truss: Indeed. If hon. Members are stuck in Norfolk, may I suggest that they will be catered for? Not only will they be able to purchase their turkey, potatoes, Brussels sprouts and a mountain of vegetables; we also have the world's biggest sugar factory, so dessert is catered for. A by-product of the sugar factory is the heat that it generates, and tomatoes are produced in the greenhouses there. There is cheese—the Binham Blue and the Wells Alpine—for the cheeseboard, and, for those after-dinner drinks, we also have the only English whisky distillery.

Norfolk is indeed a county of bounty, with 80% of the land used for food and farming. It often strikes me that if Martians were to come to Earth and watch prime-time TV programmes such as "Come Dine with Me" and "River Cottage", they would think that we were all obsessed with food. They would imagine that we spent all day thinking about where our food came from and how it was produced. They would also believe Norfolk to be a dominant part of the British economy, with its strong food and farming industry. There have been excellent developments at local level. An example is the development of the Norfolk food hub, which I am assured will have goats grazing on the grass roof of its exciting new building, but there has not been a growth of food exports in relation to food imports. In fact, over the past 10 years, we have imported nearly twice as much food, relative to exports, as we used to do.

Peter Aldous: Shocking!

Elizabeth Truss: It is shocking, particularly given that farming and food production is now Britain's biggest manufacturing industry. The farming and food industry is often seen as a cost centre, rather than an income generator. In fact, at heart, it is a commercial enterprise. We can see that if we go to the Swaffham poultry auction, or the Swaffham market. I believe that agriculture and food need the same access as other industries to talented people and to capital, because that would help to generate more income from the food and farming industry.

One of the huge issues for food and farming is the high demand for skills and new input into the industry. Running an average farm now requires only an eighth of the number of people needed 40 years ago, owing to mechanisation and improved technology, but those people need to be highly skilled. They need to be technically trained, and they need to understand business. There are opportunities in agriculture for highly skilled engineers, technicians and graduates from other disciplines. For example, David Lawrence, who runs the very successful agricultural academy, Easton college, spent 18 months searching for an agricultural engineer. This is a problem for farmers and for the food industry across my constituency, and it is very important to get graduates and skilled engineers into the industry. It is a great industry, and we need to encourage talented, qualified people to come to Norfolk to work in it.

Unlike America, England does not have vast prairies that yield economies of scale. We do, however, have great access to European markets, high quality products and immense marketing capability, and we need to use them more. Let us look at the Foreign and Commonwealth Office's progress in expanding exports. I fully support its efforts to make greater use of our commercial capabilities and our embassies and high commissions abroad. Food and farming should be one of the leading industries that the FCO promotes. Heygate's flour mill in Downham Market has had great success in promoting flour products in the middle east, for example, and there is no reason why such successes cannot be replicated across other industries.

We can deliver for Britain. Agriculture has a great future as an export industry because of the sheer quality of our produce, but it also has an immense emotional connection to Britain. Internationally, people value British food. I was at an airport recently, and I saw Marmite on sale, ready for people to take out of the country. That is the kind of export leader that we need to think about.

I was shocked to read that we now import 67% of our apples. In the 1960s and 1970s, great orchards were uprooted so that we could have the Pink Lady apple in this country. Anyone who remembers our native breeds knows that an English apple tastes better, and I would particularly recommend Norfolk apples. It would be of huge benefit to the Treasury to see more native apples exported, as well as being eaten here, and it would be great to see the fens repopulated by the fabulous orchards that used to dominate the region. May I also say that good practice starts at home?

6 pm

Craig Whittaker (Calder Valley) (Con): Let me take this opportunity, Mr. Deputy Speaker, to wish you and all Members of the House, as well as its staff and their families, a very merry Christmas and a happy new year.

In April 2008, the previous Government introduced the local housing allowance as a new way of calculating housing benefit for tenants in the private sector. The allowance is paid directly to the tenant, who should pass it on to the landlord as rent. The housing allowance and direct payments to tenants allow prospective tenants to "shop around" with their allowances, but following the introduction of local housing allowances more than 41% of private landlords—an increase of 4%—are not letting to tenants who receive such allowances, mainly because of the lack of a guarantee that rents will be received. The greatest difficulty facing many landlords with local housing allowance tenants is their inability to obtain rents. Currently, when tenants are in arrears, landlords must wait for a minimum of eight weeks before they can request direct payments.

I recently attended a meeting of the Calderdale landlords association in Calder Valley. The picture that was painted was of a sector in meltdown. No fewer than 350 properties belonging to the members of the association who were present at the meeting are in danger of being withdrawn from those receiving local housing allowances, entirely owing to the lack of guarantees.

In far too many cases throughout England, tenants move in, pay the first month's rent, and then do not pay for two months. Leaving arrears, they then move across the border to neighbouring local authority areas and repeat the process. Then, of course, they move on again. Many pay only three months' rent in 12 months. The cost to landlords is getting out of hand, and the practice is keeping rental charges far too high. Honest, decent people who pay their rent on time are subsidising many people who do not. A landlord who contacted me recently said that in a portfolio of 15 houses, seven tenants were more than two months in arrears, and five of them had moved on owing well over £1,000 each in rent. The cost to landlords of pursuing back rents is also expensive, and landlords incurring that additional expense often have no chance of receiving any money at all. As a result, many landlords do not pursue back rents, as by doing so they would only add to their losses.

At a time when supply should be increasing to meet increasing demand and take advantage of higher rents, stock levels in the sector fell by 2.7% between the first and second quarters of the year. As a consequence, not only is supply much tighter, but rents increased at a rate of 2.3% over the same period because supply is so much lower than demand.

Other issues in the sector are causing a decline in stock levels. The taxation system provides little incentive for investment in accommodation; we should allow the private rented sector to be treated in the same way as businesses. The system is also failing to identify vulnerable people who, even under the current arrangement, should be eligible for direct payment of their local housing allowance to their landlords. Many tenants are failing to manage their finances properly, falling into rent arrears and having their tenancies terminated. The safeguarding processes that exist are failing. Many landlords are reporting that rents have not been paid this month, as some tenants are choosing to spend their housing allowance on Christmas rather than paying their rents.

The solution to the crisis that is starting to develop is quite simple. The Residential Landlords Association, Shelter and Crisis all agree on two specific points. First, their tenants—who consist overwhelmingly of claimants of local housing allowance—say that they would prefer the allowance to be paid directly to their landlords. That would help people to manage their finances, and would reduce the temptation to use the allowance to pay other debts rather than paying rent. It would also provide tenants with security so they could be sure that the rent had been paid and there was no chance of losing their home.

Jack Dromey: The hon. Gentleman's heart-rending appeal on behalf of landlords is very interesting. Will he join me in extending similar concern to the 67,000 families in the midlands facing an increase of an average of £9 a week as the consequence of £1.8 billion being taken out of housing benefit by his Government—families who can ill afford to pay £9 a week extra?

Craig Whittaker: I thank the hon. Gentleman for that intervention. I am sure he will agree that it was the previous Government who brought in the housing allowance, which is hindering the progress of the private rented sector and stopping investment in it, as I mentioned.

The rule by which the local housing allowance can be paid directly to landlords only when claimants become eight weeks in arrears should be replaced when a sum of one month's rent falls into arrears for 14 days. That

[Craig Whittaker]

would prevent tenants in difficulties from getting further into debt. Allowances should also be paid calendar-monthly in advance, in line with normal rental payment practices.

For a system that was set up to give people their own choices, its failure is producing a system where rents are on the rise because of the shortage of housing in the sector and because of those who do not pay their rent and buck the system. That is without question increasing rents in the sector. That is not fair, it is not sustainable and it needs to change.

6.6 pm

Jonathan Lord (Woking) (Con): I congratulate you, Mr Deputy Speaker, on bringing some festive cheer to this Adjournment debate with your red socks with green flashes. I am not sure whether those are holly leaves. *[Interruption.]* I can see things which other Members in the Chamber may not be able to see.

Unfortunately, the topic that I wish to raise today is a little more serious. In his statement of 14 December, the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), announced plans for a more modern justice system that has

"more efficient courts, better facilities, and the faster conclusion of cases for the benefit of victims, witnesses, defendants, judges and the public at large." [*Official Report*, 14 December 2010; Vol. 520, c. 816.]

I support the broad intention of those proposals, and I believe the Surrey courts service has supported this approach for some time. Since 1990, the year in which Woking court opened as the county's new, purpose-built building, seven courthouses have been closed in total and just four magistrates courts now operate—in Guildford, Redhill, Staines and Woking.

Woking is still the best equipped court in Surrey with excellent disabled facilities, including wheelchair access and hearing loops in each court, and terrific youth and child witness provision. Woking is also the most efficient court in terms of the number of cases seen per hour relative to utilisation rates. The case throughput rate has risen from 5.43 per hour in 2008 to no less than 7.65 in 2010.

The Minister wrote to me on the day of his statement to tell me that Woking court was to close and that its workload would be transferred to Guildford and Staines. In his letter he said:

"By closing courts with low workloads, or facilities which do not meet the modern standards society expects, we have been able to release £22 million to improve and modernise the courts to which work will transfer."

Presumably he is including potential Woking court receipts within this figure, despite it having neither a low workload nor poor facilities. However, he is closing Surrey's most modern and best equipped court and he will find it almost impossible to raise the remaining three courts in Surrey to an equivalent standard. For example, the other courts have severe limitations with regard to which courtrooms prisoners can be produced in, whereas Woking can have prisoners produced in all three courtrooms.

The Government's consultation response pointed out that the public areas of Staines and Guildford courts are accessible to disabled people. That is a wonderful thing for disabled visitors, but not so much use to a disabled person who wishes to access the actual courtrooms independently and safely.

While we are on the subject of the Government's response, I am told that six financial advisers have been left off Her Majesty's Courts Service list of staff affected by the closure. I hope the Minister will be able to correct this. There are also significant maintenance backlogs at Guildford and Staines, and I would be grateful if the Minister provided more details on them, as I believe the figures have recently changed.

If Woking court is so wonderful, why is it being closed? The reason seems to be that the Ministry of Justice has been unable to identify one of the older, less efficient courts—which would have been more in keeping with the terms of the consultation and the overall strategy—because the other magistrates courts in Surrey are co-located with county courts. Yet after seven closures in 20 years, I do not believe the county can afford to lose another court.

In 2008, Surrey had a population of just over 1.1 million people, which amounts to just over 278,000 people per court. Only one area had a higher figure—south Yorkshire—which has more than 316,000 people per courthouse, and it is not suffering a closure. If Woking court closes, Surrey's figure will be comfortably the highest in the country, at over 371,000 per courthouse.

Elizabeth Truss: My constituency has also faced a court closure, at Thetford. Does my hon. Friend agree it is important not just that justice is done, but that justice is seen to be done locally? We need to make sure that our justice system does not become over-centralised, and that people locally need to be involved.

Jonathan Lord: I could not agree more, and I think the Government's proposals tread a fine line in respect of the issues my hon. Friend mentions.

Not only would Surrey have 371,000 people per courthouse, but Surrey's population is increasing, by almost 20% over the next 23 years according to Surrey county council. I will also send figures to the Minister showing that Surrey already has one of the highest numbers of crimes per courthouse of any police authority outside London.

Neil Parish: My constituency also faces the problem of a courthouse closing, in Honiton. Does my hon. Friend agree that a lot of defendants might not get to court if they have to travel a great distance? If they do not get to court, the police will have to arrest them later, so there could be much more bureaucracy and problems as a result of shutting a local courthouse.

Jonathan Lord: My hon. Friend makes a valuable and pertinent point. Woking also has a significant Muslim population, and it has built up good links with Woking courthouse, so the problem my hon. Friend mentions could be exacerbated in this instance.

If Woking court closes, the target utilisation rate for Staines and Guildford, where the work is due to transfer, will be 93%. That is very high, especially considering the need for significant remedial work and modernisation at those courthouses. Where will the cases go if the

courts have to close to be repaired or updated? Where is the margin for error for the population growth I mentioned, or for the unexpected?

Finally, what possible grounds are there for stating that the court's relationship with Woking's Muslim community and with our Shah Jahan mosque

"will be maintained should the closure be ordered"?

The relationship between the mosque and the local court has been built slowly and sensitively over many years, involving specific officials from the court, who will no longer serve the current local justice area, and chairmen of a bench, which will cease to exist. The mosque will lose its link to the court because that link will be fractured, and its relationship with new and unfamiliar personnel, in an area outside its community, can neither be anticipated nor relied upon.

I urge the Minister to review all these points—I will elaborate on them when I write to him shortly—and to reflect on his decision. Several Members have intervened on me, and I sympathise with many colleagues who have also suffered closures, but I say to them that we have a court that is purpose built, has high utilisation rates, has a terrific bench, dedicated staff, fantastic disabled access and all the facilities I have mentioned, and it would be a tragedy for the county of Surrey to lose it.

Mr Deputy Speaker (Mr Nigel Evans): In the spirit of Christmas and acting as Father Christmas, I now intend to extend the time limit from six to seven minutes.

6.15 pm

Bob Russell (Colchester) (LD): Thank you, Mr Deputy Speaker.

Describing a women's refuge as a "success" is a regrettable use of the word, because in a supposedly civilised society there should be no need for a place of refuge for women and, frequently, also their children, to escape the violence, intimidation or non-physical psychological behaviour of a bullying husband, partner or father. But what has been achieved in my constituency at the Colchester and Tendring women's refuge, and I am sure at many similar refuges around the country, can be described only as a success. I am sure that lives have been saved; certainly, battered lives have been spared further abuse and cruelty.

In the past year, the refuge has provided a safe haven for 120 women and 194 children. Across Essex, refuges have accommodated 664 women and 701 children—that is an increase of 15% over the previous year. The refuge in my constituency relies on a combination of professionals and volunteers. It represents exactly the concept that I believe the Prime Minister had in mind when he talked about "the big society". The Colchester refuge could not operate without volunteers. In addition to the trustees, who are responsible for the organisation's governance and financial health, there are a further 23 volunteers.

Sadly, although the operating costs of the refuge are less than half what it would cost the public purse if the children were put in care—and, thus, removed from their mother, whose whereabouts could also result in a cost to public funds—there is a real threat to its future provision and financial viability because of serious cuts to funding from the Supporting People budget. In Essex, the cut is feared to be in the region of 25% to 30%. We must examine the financial savings—these are in addition to the huge emotional good work, for which no monetary value can be given, of keeping mothers and their children united—from what refuges provide. There would otherwise be a legal statutory requirement on the relevant local authority to fund this money from the public purse.

There is arguably no worse time—or perhaps, given the awfulness of the subject, no better time—than the last parliamentary day before Christmas for me to raise one of the taboo subjects which diminish the claim that we are a civilised country: domestic violence and other abuse suffered by many women. This Saturday, about 30 children, 20 of whom are under child protection orders, will have their Christmas dinner in the Colchester refuge. If places had not been available, they would probably have had to be separated from their mothers and taken into foster care.

The directorate of children's social care at Essex county council estimates that the cost of fostering a child for a week is £500—that excludes administration, monitoring and other associated costs. The highly respected Fostering Network puts the cost considerably higher. By contrast, the cost to Supporting People of keeping a woman with three children in Colchester and Tendring women's refuge is £216 a week. Adding to that the housing benefit received, the cost of keeping a family together in a refuge remains less than half the basic cost of £1,000 to keep just two children in foster care.

I am certain that the pioneers who, in December 33 years ago, opened the first women's refuge in Colchester would not have wanted things to be so desperate that such a facility was needed. Regrettably, such is the scale of the problem that in the second decade of the third millennium this accommodation in Colchester has grown from one property, a former neighbourhood shop, to two large houses. One is a big Victorian dwelling converted to provide individual spaces for women and their children, as necessary; the second is a purpose-built modern building that should be viewed as the benchmark for such provision. I recall attending the official opening of the older dwelling.

There is also a third building, which is a daytime centre providing non-residential advice and support for women living in disturbing relationships. Although the buildings are located in my constituency, the Colchester and Tendring women's refuge covers two local authority areas—those of Colchester borough council and Tendring district council. The constituency of my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) covers parts of both those local authorities.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I commend my hon. Friend for raising this matter on the Adjournment of the House. Does he agree that the concern is that Essex county council's decision to withdraw funds will result in increased costs for the council? I assure him that the Public Administration Committee, which I chair, is examining this problem in general and is considering how the voluntary sector is affected by reductions in public spending of this nature.

Bob Russell: I am extremely grateful to my hon. Friend, who has visited the refuge and is working with colleagues at Essex country council to try to resolve the financial problems to which I refer. We might disagree on some things, but I am confident that we have shared

[Bob Russell]

objectives on this occasion. I also understand that the hon. Member for Clacton (Mr Carswell), whose constituency is exclusively in Tendring district, will visit the refuge in the new year.

With a background as a journalist who reported on court cases, and with long service in local government where I came across much of life, I thought that I was streetwise, but in my time as a Member I have been shocked by how some male members of the species can be such "bar stewards". I am sure that it has been the constituency experience of colleagues throughout the House.

It was because of my growing concerns about domestic violence that I was able, when I served on the Home Affairs Committee, to encourage colleagues to hold an inquiry into the subject. We heard harrowing stories as we gathered evidence. In the course of the inquiry, I accompanied the Chairman of the Committee, the right hon. Member for Leicester East (Keith Vaz), on a visit to the Colchester women's refuge to meet members of staff and some of the residents. The Committee's report on domestic violence, forced marriage and "honour" based violence was published on 13 June 2008.

Domestic violence is a subject that people do not normally want to talk about, but here in Parliament it is important that we do. An analysis of 10 separate domestic violence studies came up with consistent findings: one in four women experiences domestic violence at some point of their lives, with between 6% and 10% suffering in any given year. The British crime survey, looking at England and Wales for 2003, found an estimated 12.9 million incidents of domestic violence against women and 2.5 million against men. Although only a minority of incidents of domestic violence are reported to the police, on average the police still receive one call about domestic violence every minute—1,300 calls a day, more than 570,000 each year.

In that context, the need for women's refuges is such that it would be wrong for there to be cuts that imperilled their future. We have to accept, as a sad reflection on society, that a small minority of men behave in an appalling way. The Colchester and Tendring women's refuge provides a safe haven. A combination of professional staff and volunteers do a fantastic job, but I am concerned that the unintended consequences of Government policies—implemented by Essex county council, cutting the Supporting People funding for refuges—could seriously affect what is done. I urge the Government to ensure that women's refuges are allowed to continue the excellent work that they undertake.

Moving from one serious subject to another, I note that this Christmas approximately 3,000 of my constituents will not enjoy the festivities with their family. I refer to the soldiers from 16 Air Assault Brigade, based at the Colchester garrison, who are deployed to Afghanistan and predominantly Helmand province. Most are at Camp Bastion, but others have been deployed throughout the province, including those soldiers at the forward operational bases, the FOBs. To them and their families back in the UK, I am sure the whole House will wish to send Christmas greetings and its hopes for a peaceful return in the new year.

Finally, to my constituents, royalists and republicans alike, let us look forward not only to Christmas but to the royal wedding. If the republicans do not want to celebrate, I hope that they will still enjoy the day off.

6.23 pm

Neil Parish (Tiverton and Honiton) (Con): Thank you very much, Mr Deputy Speaker, for your Christmas generosity in allowing us an extra minute to speak. I wish you, all Members and those who look after us so well in the House a very happy Christmas.

Members have spoken about court closures, racing stables and winter tyres. My hon. Friend the Member for South West Norfolk (Elizabeth Truss) talked about the wonderful food in Norfolk, and I could not let this opportunity pass without saying not only that is Norfolk food good, but that Devon food is excellent. With one's Christmas pudding, one must have some Devonshire cream and make sure that one has some grass-fed Devonshire lamb and beef to go alongside it—perhaps a bit of turkey too.

I rise to speak about heating oil, another matter very important to rural constituencies. My constituency is 40 miles long; it starts on Exmoor and ends up in the sea at Seaton. There is a huge rural area within those boundaries, and many of the villages and hamlets there have no mains gas supply. Their only alternative to electricity for heating is oil. That is why the postcode lottery on what people pay for heating oil must stop.

During business questions last week, I made the point that during November and early December, crude oil prices went up by 17% and that the price of heating oil went up by 70%. There is no justification for that. Within rural areas, there are many old properties—some are farm houses, some are small cottages—and they are difficult to insulate with modern insulation and expensive to heat. People need more fuel to heat them, and if we lump on to that the huge increase in price, a lot of the heating allowances for poorer people just do not go very far at all.

About 2 million properties rely on heating oil; they are mostly in rural areas and 828,000 of them are in England. Recently, as I said, there has been a spike in oil prices that could add as much as £540 a year to the average family's heating bill. The price of heating oil tends to rise gradually in the winter months, when demand is at its highest. A home owner might use anything between 2,500 to 4,000 litres of oil. Price rises during winter are unavoidable, but the price rises that we have seen cannot be justified simply by supply and demand.

Craig Whittaker: Does my hon. Friend agree with my constituents who have contacted me in the past couple of days to express the real suspicion that the supply of oil is being held back to inflate prices artificially, with the companies knowing full well that the average UK home that uses oil can store only up to 60 days' worth? In effect, those homes have to buy oil when winter is at its worst.

Neil Parish: My hon. Friend is absolutely right. Furthermore, some oil companies unscrupulously deliver oil at a very high price and hold back on deliveries under contracts that are sold at a lower price. The issue really needs to be sorted out.

That brings me neatly to my next point. Crude oil accounts for 48% of the cost of heating oil. The largest next component, accounting for 45%, includes the cost of distribution and marketing. The refining process accounts for only 7%.

The average price of a litre of heating oil in Northern Ireland, which has had some of the worst of the recent weather, is 48p per litre, or 52p in Belfast—and given that weather, the cost of delivery and getting the tankers to the houses would be among the greatest. The average price in the south of England at the moment is 80p per litre, while in the middle of England it is 68p, in Wales it is 67p and in Scotland it is 64p per litre. What justification is there for someone in the south of England having to pay nearly twice as much as people in Northern Ireland? During the same period, the price of petrol at the pumps has gone up by only 10p per litre.

I say clearly to the Business Secretary that it is time that we did something about the situation. At the moment, he is considering establishing the position of an ombudsman to consider food prices and whether supermarkets' buying power is too great. I urge him to get on with that as quickly as he can. I do not know whether he wants to go down this route, but I suggest that having an adjudicator or ombudsman for heating oil might provide some sort of solution to the problem that I have outlined. I am not thinking of a huge bureaucracy but of somebody people could contact to ask why their heating oil is so expensive in their parts of the country. Those companies would have to justify what they are actually charging. At the moment, there is misery being made out of cold weather and some people have no source of heating other than oil fires, Agas and boilers.

As I said, many houses are difficult to heat and insulate, and people are having to pay an extra price before Christmas. The Government cannot just stand by on this matter. All hon. Members probably believe in some form of market forces, but in this case those forces are being used to drive up the cost of fuel unjustifiably. As I have said, weather conditions alone cannot justify what is happening because Northern Ireland has had some of the worst weather in this period, yet it has some of the cheapest fuel. We must ensure that constituents who use oil to heat their houses, wherever they live, pay a fair price for that fuel and are not held to ransom by either the oil companies or those who deliver the oil to houses.

6.31 pm

Stephen Gilbert (St Austell and Newquay) (LD): I put on the record my thanks to the Backbench Business Committee for how it has handled today's Adjournment debate in providing so many hon. Members with an opportunity to speak.

My remarks will focus on equality and diversity. We have had a diverse debate this afternoon, but I am confident that the Deputy Leader of the House will be more than equal to the challenge of pulling the issues together in his closing remarks. I fundamentally agree with much of what colleagues have said, but I must challenge my hon. Friend the Member for Tiverton and Honiton (Neil Parish) and say that every good Christmas pudding around the country will, of course, have Cornish clotted cream served with it.

Equality means something different to different people. Whether we are talking about equality of race, gender, religion or sexual orientation, there is no such thing as being almost equal. There can be no grey areas. If hon. Members will forgive the pun, equality is a black and white issue: someone is either equal or they are not. There is no doubt that the Government need to do more work across all the subjects I mentioned. However, I would like to focus some thoughts on lesbian, gay, bisexual and transgender issues.

As many hon. Members will know—indeed, it is something I put on the record during my maiden speech—I am proud to be an openly gay Member of Parliament. I firmly believe that hon. Members from all parties have a responsibility to champion equality both in the countries of the United Kingdom and abroad. Although the United Kingdom has been at the forefront of LGBT equality, the record of other countries around the world is not quite so rosy. In Gambia, sexual relations between men still carries a sentence of 14-years' imprisonment. The sentence is 21 years in Kenya and 25 years in Ghana. In Tanzania, Barbados, Sierra Leone and Bangladesh, the sentence can be life in prison, and in Nigeria and Pakistan—among other countries—sexual relations between gay men can lead to state-sanctioned execution.

The United Kingdom needs to do more to stand up for equality around the world. Last week, I tabled an early-day motion expressing concern at a United Nations decision to remove a reference to sexual orientation from a resolution condemning arbitrary executions. Will the Deputy Leader of the House work with his colleagues to strengthen the Government's commitment to using our influence to push other countries towards true equality, particularly in relation to revisiting that UN resolution?

More work also still needs to be done on the issue in Britain. Research from the Library shows that suicide rates within the LGBT community are shocking. It is estimated that around 9% of the population have at some point considered taking their own lives. In the LGBT community, that figure is more than 50%. Indeed, while only 2.5%—a figure that is, none the less, tragic—of the population attempt suicide, 29% of people in the LGBT community try to take their own lives.

It is clear from those statistics that more work needs to be done to reach out to people across this country and explain to them that it is okay to be who they are. That is why I was pleased that one of the first actions of the Minister for Equalities was to launch the new equalities strategy for Government. Part of this strategy is the first ever cross-government programme to support LGBT people, and that is very welcome. Indeed, the Government have recognised that there are specific issues that transgender people face, and I welcome the moves to develop the first Government action plan on transgender equality next year.

In many ways, these steps build on the visible and vocal support that my right hon. Friends the Prime Minister and the Deputy Prime Minister have given to the LGBT community, not least in the run-up to Pride London this year, when they hosted an event in Downing street. I was very pleased yesterday to attend the launch of a new parliamentary support network for LGBT people here in the Palace of Westminster—ParliOut. That is an important first step for this House and everybody who works here in ensuring that we are able to provide support to Members, researchers and everybody else who comes and goes from this place. Of all places, people should feel able to be themselves here.

[Stephen Gilbert]

However, there is still further to go. As many Members know, I am a keen supporter and proponent of equal marriage for same-sex couples. As Mr Speaker said yesterday evening at the launch of ParliOut, it was a groundbreaking moment when Parliament itself was granted a licence to hold civil partnerships and when the hon. Member for Rhondda (Chris Bryant) and his partner were the first to benefit from that. However, it would have been much more groundbreaking for this House to enable full equal marriage for same-sex couples across the country—not necessarily a religious tie, unless that is what individuals and their faith groups choose, but crucially the same status and legal position as that of heterosexual married couples. I am delighted that Stonewall now supports this aim, and I hope that the Deputy Leader of the House will be able to mention the steps that the Government are taking to investigate it as an option and perhaps to introduce legislation before the end of this Parliament.

This week, Mr Deputy Speaker, saw your brave decision to reveal your own sexuality. I believe that that sends a hugely welcome and clear signal that this place has changed and that attitudes across the country are changing too. I would like to extend to you my best wishes and, I am sure, the best wishes of the whole House on that decision.

Ms Gisela Stuart: I am sure that in the season of good will the hon. Gentleman will acknowledge the extraordinary, groundbreaking contribution of the Labour Government on this issue. He mentioned the problems of those in the transgender group. Can he focus a little on the particular problems of women who do not want to get divorced even after the change of their gender, and the problems that they have over pensions? We should have addressed that and still have to do so. Does he have any thoughts on that?

Stephen Gilbert: I thank the hon. Lady for that intervention. It would be remiss of me not to remark on the huge progress that was made under the previous Government. She identifies an area where there is still work to be done and where we need to go further and faster. The call that I am making to the Deputy Leader of the House and to the Government is that we finish this job and deliver true equality to all citizens in the United Kingdom as quickly as we can.

There is no doubt that attitudes have changed in the country, and in many ways this place is now playing catch-up to those attitudes. For everybody who is out there still struggling to come to terms with their identity, we need to be absolutely clear that there are no second-class citizens in the United Kingdom and that as a country we are stronger because we are not all the same. I hope that over the coming years this Parliament will work to send out a clear signal that all of us are equal and all of us are entitled to live our lives free from fear and with the same opportunities and protections as each other.

As the last Back Bencher to speak today, Mr Deputy Speaker, I think that that leaves me only to wish everybody a very merry Christmas and probably to turn off the light switch as I leave.

6.39 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): But not before I have had a chance to try to respond to the debate.

The pre-recess Adjournment debate is one of the great parliamentary institutions, and I am very pleased that the Backbench Business Committee has decided to keep it going, albeit with a twist—a new format. I thank my ministerial colleagues for their contributions, especially those who are Ministers on the Treasury Bench but do not usually have the opportunity to speak from the Dispatch Box—the Assistant Whips. Members will have the opportunity to give feedback to the Backbench Business Committee and the Government on how the format has worked and on changes that they would like to see. I also thank the departmental clerks, who provide us with the information that we need to respond to hon. Members, and particularly those in the office of the Leader of the House and myself. We cannot answer everything, so some hon. Members will receive letters from Departments to deal with the details that they have raised.

I will start with the hon. Member for Walsall South (Valerie Vaz). Oddly, the first and last speeches of this debate mirrored each other, because they spoke of human rights, gender equality and the equality prospectus. They underlined that equality is an important facet of domestic and foreign policy. The hon. Lady mentioned the Ashtiani case, and she knows that the Government have made vigorous representations to the Iranian Government on that matter. She also gave sobering statistics on gender balance in some developing countries, to which everyone should pay attention, as they suggest that there is more than just discrimination against female children in those areas. We must keep banging on at such issues. This country has a good history of developing human rights and the awareness of them, but we can never be complacent, either in our country or abroad.

That was the point made by my hon. Friend the Member for St Austell and Newquay (Stephen Gilbert). It is apposite that he should raise the issue today, because I gather that it is the fifth anniversary of civil partnerships in England and Wales. This is a timely reminder of the importance of the equality agenda. Like him, I pay tribute to Mr Speaker, to you, Mr Deputy Speaker, and to all who were involved in the setting up of ParliOut. I hope that last night's launch was the first of many successes that the group will enjoy. We need to put this issue at the heart of the coalition Government's agenda. If we do not stand for equality, we do not stand for the basic human principles of decency. It is important that we do all that we can to make those principles a reality in this country. I cannot give my hon. Friend an answer on civil partnerships, other than to say that the matter is being discussed actively by Home Office Ministers, as I think he knows. We hope to come to a conclusion soon.

I will deal with a couple of points that hon. Members raised about business. The hon. Member for South Basildon and East Thurrock (Stephen Metcalfe), like me, has a small business background. It is of value for this House to have people who have worked in business, because they have contact with a world that often seems distant from politics. He made points about access to finance, red tape and scale problems—some things that

work in large businesses are more difficult to achieve when there are a limited number of people in the work force. Those were extremely valuable points.

The hon. Member for Waveney (Peter Aldous) concentrated on infrastructure demands, and the need for railway and road connections to his part of the world. In fact, East Anglia has done rather well out of this debate. He mentioned the Beccles bypass and the Brandon bypass in a neighbouring constituency. I am pleased that he also mentioned the need for high-speed internet, because that will be crucial in many rural areas. We always think about infrastructure in its physical manifestations, but the internet will increasingly be the most important thing that businesses need to compete successfully.

The hon. Member for Sedgefield (Phil Wilson) made a very good case for the development of the Hitachi works in Newton Aycliffe. He knows that I cannot give him an answer on the decision that the Government will take, but he also knows that the matter is being actively considered and that there will be an announcement early in the new year. As someone who needs great western rolling stock, I will take a great interest in whether it is built in his constituency or elsewhere. He rightly made a strong case for his constituents and mentioned Hitachi's good record in cold weather, which ought to be at the top of people's priorities at the moment. I am grateful to him and will ensure that the Secretary of State for Transport hears what he has to say.

The hon. Member for Watford (Richard Harrington) talked about how we create jobs, how we get people back into employment and the role of the voluntary sector, and he made extremely important points. He was rather sad that he did not have a race course in his constituency, although he said that he had Camelot there. I have to say that I have the original Camelot in my constituency, but we will let that pass.

We then heard a string of seasonally related speeches, starting with the hon. Members for Birmingham, Edgbaston (Ms Stuart) and for Birmingham, Erdington (Jack Dromey) making a strong case for winter tyres. I think that we now agree about exactly what we mean by winter tyres, which perhaps was not quite the case in the earlier exchanges between the hon. Member for Birmingham, Edgbaston and the Secretary of State, who I think was talking about studded tyres and snow chains rather than the tyres that she suggests.

The hon. Lady clearly made a sensible point, and we know that the Secretary of State has started an assessment of whether we are likely to see these very bad weather conditions regularly, and what changes to legislation or practice are needed to adapt to them. He will clearly have to take her point into account. Of course there are other matters on which we can engage people in good practice, such as tyre tread depth and pressure, but she made a very good point, from her own experience and in the wider interests of her constituency, about what many people will see as a sensible option.

To continue the seasonal theme, the hon. Member for South West Norfolk (Elizabeth Truss) made what I can only describe as a "bootiful" speech. She mentioned turkeys, which we associate with Norfolk, but I had not previously associated goats on the roof with Norfolk. She also mentioned the very good eating qualities of Norfolk apples, but I have to say that where the best ones come from depends on whether one thinks apples should be eaten or drunk.

The hon. Lady's key point was that we do not say enough about the very good-quality produce that we produce in this country. We have superb brand names in our ancient counties. For instance, Norfolk has real associations with certain foods, as does Somerset. I am even prepared, despite the cream wars earlier, to accept that Devon and Cornwall have associations with good foods. I sometimes think that we do not make enough of those associations in marketing what we produce.

Still on the seasonal theme, I associate Boxing day with going to Wincanton races, and we heard two important contributions about the racing industry. I have heard of Newmarket, but Wincanton is obviously a very important race course, and some of the best trainers come from my constituency. The hon. Member for Hexham (Guy Opperman) mentioned Kauto Star, who was trained in my constituency. I had my picture taken with him a year or so ago, and he bit me, but he is a very good horse. I know that the hon. Gentleman unfortunately could not stay for the end of the debate, but he said that he was a jockey himself and that there was little demand for ageing politicians as jockeys. I seem to remember that my late friend Sir Clement Freud acted as a jockey very late in his political life, so all hope is not extinguished.

The hon. Gentleman makes an important point about the future of racing, the effect of the levy and the diminishing value of the levy board contribution. We have got to get it right because racing is an important industry—it is not just the race courses, the trainers or the betting industry, but all those things put together, and all the downstream industries that connect with racing. I know that the Under-Secretary of State for Culture, Olympics, Media and Sport, my hon. Friend the Member for Weston-super-Mare (John Penrose) has met the levy board and the racing and betting industries to discuss how we can get the levy reformed or possibly replaced. I hope that the Government will shortly make the right decisions for the industry.

Let us move away from seasonal issues. My hon. Friend the Member for Chippenham (Duncan Hames) initially raised the driver training centre at Trowbridge and said that he had campaigned on it. He may remember that, in the days when I could campaign about things in the House, I, too, campaigned for the retention of that centre, which served my constituency in Frome. I know that he knows that Ministers are considering the matter seriously, and I will pass on his comments. I can do no more than that from the Dispatch Box.

I will also pass on my hon. Friend's determination for the railway service in Wiltshire to be improved, particularly that in Melksham, which is so appallingly served by the current franchise. The key will be the local authorities and the attitude of Wiltshire unitary authority in deciding whether they want to take that forward. I know that the Department will be keen to work with Wiltshire if it feels that that is the right way to ensure that the necessary rolling stock is available to operate a new service for the area.

The hon. Member for South West Bedfordshire (Andrew Selous) raised a difficult subject, which we ought to discuss more often. He did not like the word "contact", so perhaps "parent time" is better, whereby parents who

[Mr David Heath]

are separated can share quality time with their children. I think that he has rightly drawn attention to the deficiencies in some parts of the family law system. He knows that the Government are conducting a family justice review to consider the family justice system as a whole, and to ascertain particularly how we can support better arrangements. As he says, that time is sometimes the subject of contact orders, which are sparingly enforced. That is one of the difficulties. I suspect that the answer may well lie in more mediation and—if he does not mind my using a cant term—a holistic approach to the relationships between children and their parents, ensuring that matters are examined in the round in the legal system.

The hon. Member for Calder Valley (Craig Whittaker) discussed paying housing benefit directly to landlords. I am sure that he knows that we are widening local authority discretion to pay housing benefit directly to the landlords, if it will help customers secure a new tenancy or remain in their current home at a reduced rate. We are working closely with local authorities to ensure that the provisions are used in specific circumstances, when landlords reduce rents to an affordable level for customers. I am afraid that the Government do not intend to revert to the position whereby landlords demand direct payments as a condition of the tenancy because that was open to abuse, and we do not want to return to such a situation. Clearly, that will be examined with increasing closeness in the next little while to ensure that we have an effective system.

The hon. Member for Woking (Jonathan Lord) talked about the closure of the magistrates court in Woking. If I say that I have enormous fellow feeling for the hon. Gentleman, I hope that that will not be misinterpreted, but having seen the closure of Frome magistrates court and Trowbridge county court, which served my town of Frome and the surrounding area, I know exactly how he feels. He asked me for information about the rationale. I can tell him only what I have been supplied from the Ministry of Justice. Woking magistrates court is to close because utilisation of the courts in Surrey was only 72% and, taking a whole-area approach, Woking was the most sensible option for closure because, although it has good facilities and relatively high utilisation, if that work is absorbed by the remaining courts in Surrey—specifically, if work from Woking were transferred to Staines and Guildford magistrates court—the utilisation rate for magistrates courts in Surrey will increase from 72% to 89%. The Ministry of Justice also makes the point that all other magistrates courts in Surrey are co-located with a county court, which allows significant economies of scale, and centralisation of resources and types of work. He will want to ask the MOJ about those figures and argue his case further, which is of course his right, but that information might be helpful to him.

My hon. Friend the Member for Colchester (Bob Russell) raised the effect of domestic violence and the hugely important work of women's refuges such as the Colchester and Tendring women's refuge. In the House and elsewhere, people sometimes duck away from that, but it is important that we do not do so. I believe that he said that that refuge houses 120 women and 194 children, which is a significant contribution to welfare in his area. He was very much supported by the hon. Member for Harwich and North Essex (Mr Jenkin).

My hon. Friend spelt out very clearly the social and economic value of such facilities. He spoke of the real contribution that that women's refuge and others make—his views are shared by MPs in neighbouring constituencies. I hope that by putting those views on the record, he gives pause for thought to Essex county council, and that it considers carefully where its priorities lie in setting its budget for this and future years.

I should not be remotely surprised that my hon. Friend raised the issue of the armed forces, but I should like to add my voice to his in sending our very best wishes and grateful thanks to the members of the armed forces who are serving in Afghanistan. I wish them a peaceful—so far as is possible—and safe Christmas. We all look forward to their safe return in the new year. I hope the whole House agrees with that.

The hon. Member for Tiverton and Honiton (Neil Parish), aside from his advert for Devonshire produce, raised an issue that affects all in rural areas—the cost of fuel oil. I declare an interest, because my house is heated by fuel oil. Luckily, I have a fairly full tank at the moment, so I am feeling smug, but many are not because the price increases are substantial. I listened very carefully to what the Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Wealden (Charles Hendry) said on that. Fuel oil and liquefied petroleum gas both fall outside the current regulatory arrangements, but he is clearly considering whether more needs to be done. The message is simple. If consumers feel that they are being unfairly treated, they should raise their concerns with the Office of Fair Trading. We asked the OFT to monitor the situation, and I hope that people use that opportunity so that it gets a clear picture of what is happening.

Last but not least, we heard the contribution of the hon. Member for Southend West (Mr Amess). A pre-Adjournment debate would not be complete without that—it is inimitable. In the space of just six minutes, he managed to mention the disability issues and sporting excellence of Joanna Cranfield; Mr West, who has problems with Equitable Life; his efforts on behalf of Steven Bristow, who has been in prison in Thailand for 27 years; Jackie Currie and the change in the status of prison visitors; Cherry Sholem and her child who has dyspraxia; and Ian Shirley, whose partner, Ida Hammond, has sadly passed away after suffering from dementia. He added Camp Ashraf to that and gave his best wishes to the ambassador to the Holy See on his retirement. His was a sterling performance, but I cannot answer all his points. I will ensure that those who need to hear them do so.

Lastly, Mr Deputy Speaker, I wish you and the staff of the House—particularly the Doorkeepers, and particularly Maxwell, who is retiring as a Doorkeeper after 17 years—very best wishes for Christmas and the new year. Yet again, it has been a delight to answer the pre-Christmas Adjournment debate, and I hope that I have answered at least some of the points that hon. Members have raised.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Mr Deputy Speaker (Mr Nigel Evans): Before we move on to the next business and while some people are still here, on behalf of Mr Speaker, myself and the

other Deputy Speakers, I wish all the staff of Parliament who keep it all going a merry Christmas and a very happy and healthy new year—from the cleaners to the cooks, from the Clerks to the contractors, and from MPs and their staff to *Hansard* and the journalists. More importantly, our thoughts and thanks go to the armed forces at this special time.

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order No. 15),

That, at this day's sitting, consideration of any Lords Messages that may be received may be proceeded with, though opposed, until any hour.—*(Robert Goodwill.)*

Question agreed to.

PETITION

Education Maintenance Allowance

7 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I present this petition after receiving a similar petition with more than 2,500 signatories.

The petition states:

The Petition of Liverpool Community College students and staff,

Declares that the petitioners oppose the abolition of the Education Maintenance Allowance (EMA); that the petitioners believe that the EMA helps thousands of young people to reach their full potential; that the petitioners believe that the loss of EMA will damage the country's economic future and impact on social justice by making it harder for disadvantaged young people to access education; and that the petitioners believe that the abolition of the EMA will lead to cuts in local provision as colleges respond to reductions in learner numbers.

The Petitioners therefore request that the House of Commons urges the Government not to abolish the Education Maintenance Allowance and to continue supporting adult learners through the Adult Learning Grant.

And the Petitioners remain, etc.

[P000873]

Mottram-Tintwistle Bypass

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

7.1 pm

Andrew Bingham (High Peak) (Con): I am grateful to Mr Speaker for giving me the chance to raise with the Minister responsible for roads—especially when the prevailing weather conditions are occupying his thoughts at this difficult time—the vital need for a bypass around the village of Tintwistle and the surrounding area in my constituency. As the final parliamentary act of 2010, I am also grateful to my hon. Friend the Minister for attending this evening at a time when, like many of our colleagues, he would rather be heading off home to his family and his constituents.

The relative serenity in the Chamber tonight is something that many of my constituents living adjacent to the A57 and A628 in Glossop and Tintwistle crave. Every day, about 36,000 commuting cars and heavy lorries drive through the two places, creating severe traffic jams and pollution on those two trunk roads. They are also ruining some stunning local landscapes and shaking parts of the village of Tintwistle to their very foundations. This is also having a knock-on effect as the congestion forces many other vehicles on to small back roads through tiny villages such as Charlesworth, pushing congestion and traffic dangers into a wider area.

When I made my maiden speech, on 8 June this year, I stressed the urgent need for this scheme. I recognised then that money is tight and will be for some time, but subsequently I have had the Prime Minister's assurance that some £30 billion is still available for transport investment, which means that there will be schemes that can go ahead. I hope to get the Minister to see that this scheme should be one that gets the green light.

The need for a bypass is not new. When researching for this debate, I found a parliamentary question answered in 1962. The then Minister's response informed the House that a scheme for the improvement of this road was included in the five-year trunk roads programme, so for almost 50 years my constituents have been given such promises. For almost 50 years, they have put up with the congestion and the rumbling of around 4,000 heavy goods vehicles a day pounding through their villages and past their schools. For almost 50 years, they have been told yes, but not now—later.

The need for this bypass is older than I am. My aim tonight is to convince the Minister not that Tintwistle and Glossop need a bypass—as I will explain, that case has been made already. Instead, I hope to convince him that they have a compelling case for being one of the sites to be developed during this round of spending. If I cannot get him to agree to that tonight, I will look to him to confirm at the very least that he will agree to come and see the need for himself. He could, of course, take the quick and easy option and simply give the scheme the go ahead today—after all, it is Christmas, and miracles have happened at Christmas before.

If the Minister is in need of further persuasion, however, and agrees to come to my constituency, he will see why the Highways Agency is so convinced that a bypass is the only way forward. The status quo is untenable and detrimental not only to local communities but to the local and regional economy. The plans for a

[Andrew Bingham]

bypass in the area date back to the 1990s, following publication of the 1989 "Roads for Prosperity" White Paper. A route was chosen in October 1993, but then plans were put on hold in 1996, when the national road building programme was revised.

Ministers from several administrations have visited High Peak, and seen the beauty of the area and how it, and the lives of the people who live there, were being badly affected by the constant stream of traffic. They each recognised the importance of such a scheme, although gaining support from the top has not guaranteed action. I understand that one Minister made the journey, promised that something would be done, but was sacked on his journey back to London. According to Lord Pendry, the former Member for Stalybridge and Hyde, the former Transport Minister, the hon. Member for Hampstead and Kilburn (Glenda Jackson), visited the area and tried to cross Manchester road to attend a meeting at the then Tintwistle parish council offices, whereupon she narrowly escaped being knocked down by a truck.

Unsurprisingly, that proved to be a persuasive argument, and in 1998 the Labour Government published "A New Deal for Trunk Roads in England", which included the bypass. Then, however, more difficult arguments started to emerge as the preferred route for a bypass became an issue. The new road entered the Peak District national park, whose representatives naturally raised concerns. However, many objections were also raised by people who were not familiar with the area and assumed that all of the new bypass would be in the park. The Highways Agency's submission to the regional planning bodies in November 2002 concluded that there was no realistic alternative to a bypass if we are to solve the problems that exist.

A public inquiry was convened in June 2007, but was adjourned indefinitely in 2008, after the Highways Agency admitted that it had submitted incorrect data. Later that year, the scheme was officially abandoned because the cost of undertaking the project had escalated and funds had been redirected to other areas. Some £20 million had been spent on investigations at this point—an utter waste of public money spent raising and then dashing the hopes of local people that the misery they endured daily had an end in sight. Indeed, I believe that the Minister tabled questions on this subject in the previous Parliament. So, with £20 million already spent and almost 50 years of acceptance that the route is a problem and that something needs to be done, the sad story that is the Mottram-Tintwistle bypass, like the traffic through the villages, rumbles on.

The problems that a bypass is needed to address can be clearly identified, and I will take a few moments to outline them. Many will recognise part of the A57 by another name—the snake pass. Particularly with the snow at the moment, it is often mentioned on the radio. It is the name given to the higher reaches of the road that are notoriously dangerous because they snake across the Pennines. This route, which takes motorists from the M67, through the centre of Glossop and on to Sheffield, is one of the busiest A roads in the country. Linking Greater Manchester with Sheffield and south Yorkshire, the road passes through Glossop, where there are numerous junctions and pelican crossings, which cause long delays for traffic, especially where on-street parking makes the road narrow, causing great disruption to the flow of the massive level of traffic trying to get through the town.

The congestion created in Glossop is not only causing misery for motorists and residents alike, but is now having a detrimental effect on the economy of this famous old town. My constituent, Gareth Lewis, of Online Selling Ltd, tells me that the congestion

"has stopped our business clients coming to visit us",

which causes his company to hold client meetings as far away as Manchester airport in an attempt to avoid the jams. Mr Lewis goes on to ask what the point is of taking office space in Glossop when his clients refuse to visit due to the congestion. In my work with Glossopdale businesses before and since I was elected, this has become an all-too-familiar story.

The second major road that would be relieved by a bypass is the A628, which is also known by another name—Woodhead road. It is of particular concern to my constituents from the small village of Tintwistle, which, together with neighbouring Mottram, in a neighbouring constituency, gives the bypass its name. Tintwistle is a small Derbyshire village, which, if it were a typical small Derbyshire village, would be quiet and peaceful, but it is not. The village shakes and shudders, as wagon after wagon and car after car trundle through relentlessly. Another of my constituents—a resident of Tintwistle called Anthony Hall—wrote to me only last month to tell me that he had

"counted over 50 HGVs rumble past my home in the last half hour."

Many houses in Tintwistle are only a yard from the side of the road—or, from their frontages. What Mr Hall described is not something that I would wish to tolerate. I am sure that it is not something that the Minister would wish to tolerate, and it is not something that I wish my constituents to tolerate for much longer either.

Although I do not wish to give the Minister an exhaustive account of each and every bend of the A628—unless forcing him to beg for mercy would help my case—while I have his ear, let me point out that the eastern end of the A628, through the village of Dodworth, has already enjoyed significant investment and road improvements. My constituents deserve the same concern, the same action and the same relief from their ongoing nightmare. Time and again, they have been told that the case for the bypass has been made. Time and again, they have been told that their misery will come to an end, that funds have been set aside and that work will start. Time and again, programmes have been redrawn, money has been diverted and bureaucracy has got in the way, and still the villages tremble at the freight vehicles thundering through, choking our businesses to the point that they cannot function.

The bypass would relieve not one but two major roads connecting the west of the country to the east. It would provide relief not for one, but for numerous small villages, both along the route and beyond, and would make existing roads immeasurably safer. I know that there are environmental questions that will doubtless be asked, but as I watch stationary cars and wagons belching out exhaust fumes in Glossop, Tintwistle and beyond, I am convinced that this can only be worse than having free-flowing traffic. My constituents have suffered too long and too much. That is why, as a fitting end to my first year in this House, I have asked to bring the

issue before Parliament this evening. It would be a merry Christmas indeed for my local residents if we were able to make some progress tonight.

7.12 pm

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I congratulate my hon. Friend the Member for High Peak (Andrew Bingham) on securing this debate, and on providing an opportunity for the House to debate funding for highways and, specifically, the bypass that he so keenly wants for Tintwistle. This is an issue on which he has already made representations to me, and on which he clearly sets a high priority. His constituents can take comfort from the fact that he is actively championing their cause here in the House.

Let me preface my remarks by referring to the recent statements by both the Secretary of State for Transport and the Chancellor, and the related documents, which have been placed in the Library, on investment in strategic highways, and local major transport schemes. As the Chancellor stated in the October spending review announcement, the Government are determined to invest in Britain's long-term economic growth, through areas such as transport, science and green energy, as these will help to ensure that the economy is broadly based and less susceptible to failures in one sector. It is for that reason that transport spending has been prioritised as one of the main areas of capital investment over the next four years. On 26 October, the Transport Secretary was able to announce his plans for investment in strategic and local roads. On the strategic road network, he was able to commit to completing the eight major road schemes currently under construction by 2015, at a total cost of £900 million, as well as a further £1.4 billion to fund new strategic schemes between now and 2015.

In addition to that, we are able to provide more than £1.5 billion for local authority major schemes over the same period. Around £600 million of that is for schemes that are already under construction or that have conditional approval, including two schemes that will provide some benefit to the area in question, namely the £120.9 million Metrolink extensions from Chorlton to East Didsbury, and from Droylsden to Ashton, and the £40.5 million Greater Manchester retaining walls maintenance scheme. On top of that, we are committed nationally to a further £900 million of investment for new local authority major schemes. Taken together, that level of investment is greater than the average Department for Transport spend on local authority major schemes over the last 10 years.

In taking our decisions, we have looked carefully at the value for money offered by schemes, their strategic value—whether for local, regional or national journeys—and the degree of development and certainty of deliverability, as well as important non-monetised impacts including, of course, environmental impact. As a result of this prioritisation exercise, we are satisfied that we have chosen the most appropriate strategic schemes to start between now and 2015, subject to the reviews announced by the Transport Secretary. Although we are committed to significant investment in local major schemes as well as schemes on the strategic road network, it is inevitable that we have had to prioritise and make some hard decisions to select those schemes that offer the best value for investment.

I shall turn now to the specific issue that my hon. Friend has raised tonight. He has made a number of points about the long-standing ambitions to develop road solutions in Tintwistle and the surrounding area. As I have mentioned, he and other local MPs have already contacted me to ask why a scheme to deal with this problem was not prioritised as part of the spending review. The reason, as the Transport Secretary explained on 26 October, is that a fundamental requirement used to decide whether a scheme would be considered for funding, when spending review decisions were being made earlier this year, was that the Department needed to have received a business case before 10 June 2010, the date on which the Transport Secretary announced the suspension of all scheme work pending the outcome of the spending review. Given that no agreed solution has yet been proposed for Tintwistle and the surrounding area, we simply do not have a scheme sufficiently worked out that could be considered for funding.

It is also clear that, despite our considerable investment, the number of the schemes prioritised under the previous system of regional funding allocations is no longer affordable, and we are having to do our best to rationalise the programme. That is why the spending review reconfirmed that the 29 schemes with full approval, many of which are already under construction, would go ahead. In addition, three schemes have conditional approval, and we have placed a further 10 schemes in the supported pool and 22 schemes in the development pool. There are a further 34 schemes in the pre-qualification pool.

I should make it plain to my hon. Friend that the problem that we inherited—apart from the appalling financial situation, with which he is doubtless familiar—was a complete over-promise by the previous Administration of what could sensibly be delivered. They left us with an enormous pipeline of schemes all over the country, which, even if the economy had been working to its best effect, could not have been delivered within the available resources. They led many Members and individuals up the garden path, because they simply could not deliver on their promises.

The Secretary of State therefore had to bring the portcullis down, if I can put it in those terms, on 10 June, and to consider, in the light of the moneys available, which schemes had got past a certain point. Unfortunately, my hon. Friend's scheme had not got past that point on 10 June, for reasons with which he is familiar. So what happened was not a commentary on the value of his proposal; it was simply a recognition of how far the scheme had progressed through the pipeline by that point. That is why we are in this position now. I strongly regret that people across the country were led up the garden path by the previous Government and led to expect something that simply could not be delivered.

We have protected the transport budget significantly in the spending review, and the Department for Transport has done very well on capital projects because the Government recognise the value of investment in them. Even with that good settlement, however, the enormous pipeline of schemes that we inherited simply could not be delivered. I am very sorry for my hon. Friend's constituents, who have had to wait 50 years for a solution to this problem, and I fear that I shall have to

[Norman Baker]

disappoint him again tonight. I understand the issues that he has raised, however, and he is quite right to do so.

I fully appreciate that there is a long and complicated history to the particular problems in Tintwistle and the surrounding area, stretching back many years, with strong views for and against any proposals. More recently, a full bypass of Mottram, Hollingsworth and Tintwistle was identified by the Highways Agency as a means of addressing the disturbance from high volumes of traffic on those sections of the A57 and A628. A local authority scheme known as the Glossop spur was also promoted by Tameside metropolitan borough council and Derbyshire county council to provide a link to Glossop from the proposed bypass. It was dependent on the Highways Agency scheme being constructed.

A public inquiry commenced in June 2007, but in September 2007 errors were found in the Highways Agency traffic model on which the evidence for the scheme was based. That was clearly very unfortunate. Pending production of revised traffic forecasts incorporating new national traffic growth forecasts, the inquiry was adjourned in December 2007.

In July of the following year, revised cost estimates were produced which showed the central scheme cost estimate rising to some £270 million, with a potential maximum cost of some £315 million. That made the scheme unaffordable under the proposed timetable. It was deferred by four years until 2016-17 in the north-west regional funding advice programme, with the Glossop spur development consequently also deferred until 2017-18.

The delays led the Highways Agency to recommend to the then Secretary of State in March 2009 that it should withdraw from the public inquiry, and that recommendation was accepted. The scheme was subsequently removed from the Highways Agency's programme to allow regional partners to undertake further consideration of the most appropriate scope of future work to solve the transport problems in the area. I am afraid that there are currently no plans to reinstate the Highways Agency scheme in the programme, but the agency continues to monitor conditions on the A57 and A628, and will invest in its future maintenance in line with its established approach for safe roads.

I understand my hon. Friend's frustration at the ongoing difficulties experienced on that section of the network, but it is now for the parties to consider the options in the current funding environment. Let me put that in context. The total contribution requested from the Department for Transport for new major local authority schemes that we are considering in the current spending review period—after the coming down of the June 2010 portcullis—is £1.7 billion, nearly double the available finance of £900 million for such schemes. We are trying to reduce the ratio through improved funding offers from promoters and through sifting of schemes, but it means that at present we cannot consider schemes other than those already announced for the current spending review period, or accept any new bids for schemes that were not prioritised in the last Government's regional funding allocations process.

I want to view the future constructively. We intend to work in partnership with local communities to develop a new framework for the funding of major local transport schemes over time. We want it to involve a reduced role for central Government and give a proper voice to locally elected representatives and business interests, with local enterprise partnerships—individually or in consortiums—playing a role in strategic investment choices in functional economic areas. In that context, we intend to enable local communities to identify and invest in what they consider to be their priorities in the next spending review period. So one possible avenue is central Government funding after 2015, if the present arrangement continues; another is the creation of LEPs which will be able to influence local priorities.

However, other avenues might be explored. They could include tax increment funding, details of which will be announced in due course, and the local sustainable transport fund, for which I am responsible and details of which I announced recently. Although the LSTF is not designed to support the cost of a full major scheme, it would potentially fund a package of complementary measures to support economic growth and reduce carbon. For parts of the route, Greater Manchester might choose to look to its own resources through the transport fund that it has created for a possible solution, particularly if it can free up resources as a result of successful bids to the regional growth fund or the LSTF for other projects. There could be a knock-on effect.

I understand that earlier this year Tameside metropolitan borough council, together with the Government office for the north-west, led a study group which included the Highways Agency and Greater Manchester to steer the development of an alternative integrated package of options, mainly in the Longdendale area, known as the Longdendale integrated transport strategy. I imagine that my hon. Friend is familiar with it. I understand that Tameside has since consulted on a list of options including new and improved railway stations—I must confess that, having looked at the map, I am not sure where they would be, but perhaps my hon. Friend knows—a short bypass of Mottram together with a revised Glossop spur, and innovative new treatments for the existing trunk road including new junctions, bus lanes and reduced speeds.

Andrew Bingham: My hon. Friend is right about the smaller scheme, but Tameside council designed it without consulting High Peak, and many of its proposals were not in its gift because they required the consent of the Highways Agency and Derbyshire county council. In my view—I was and still am a councillor, and of course am now the local Member of Parliament—it did nothing for High Peak, nothing for Tintwistle, and nothing for Hadfield. I appreciate what my hon. Friend has said about the general scheme of things and I understand the position, but the proposal that was advanced earlier in the year did not strike me as beneficial to my constituency in any way.

Norman Baker: I hear what my hon. Friend says and I am sorry that that is the analysis locally of the proposals put forward in the transport strategy. I was trying to find some crumbs of comfort for him in a difficult situation.

I understand that no final recommendations have been identified or proposed for that strategy, but Tameside council tells me that it intends to publish early in the new year the results of the consultation exercise which

it thinks has been carried out. I understand that before the spending review, Greater Manchester authorities had also identified £100 million to fund the agreed outcome of the strategy, but that relied on a significant contribution from the regional funding allocation budget, which no longer exists. It is up to the Greater Manchester authorities whether they wish to proceed with their own funding for that.

For the future, any new scheme to deal with the traffic problems in Tintwistle and the surrounding area will have to meet the challenge laid down by the Secretary of State in his October statement to compete for finite resources against other projects in future spending rounds. Serious consideration needs to be given to how schemes can be delivered more efficiently and economically—in other words, to get the cost down and the cost-benefit ratio up—particularly where greater access is possible to alternative sources of funding, including the private sector.

I fully understand my hon. Friend's desire to see a positive decision on the funding for a solution to the transport problems in Tintwistle and the surrounding area. However, I hope he will acknowledge that the Government have had to make some difficult decisions on the best use of the funding available for an unrealistically large number of competing projects. It will now be important to look at how schemes can be made more cost-effective, and to identify new funding sources and systems for funding. Although I will continue to consider any future proposals for dealing with the transport problems in the area, I am afraid that I can offer no particular assurances at this stage regarding the future availability of funding for such proposals.

My hon. Friend asked whether I would come and visit his constituency. I do not wish to raise false hopes, for the reasons that I have given tonight, but if he wants me to come and visit, I am happy to do so and look at the problems first hand. I cannot give him a Christmas present of a bypass, but I can give him a Christmas present of a visit, although the precedent that he mentioned when a previous Minister went up there and got sacked on the way back does not encourage such a visit.

7.27 pm

Sitting suspended (Order, 19 December).

ROYAL ASSENT

Mr Deputy Speaker (Mr Nigel Evans): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Acts:

Consolidated Fund Act 2010

Identity Documents Act 2010

Loans to Ireland Act 2010.

7.48 pm

House adjourned without Question put (Standing Order No. 9(7)).

Westminster Hall

Tuesday 7 December 2010

[MR GEORGE HOWARTH *in the Chair*]

Gypsy and Traveller Sites

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Stunell.)*

9.30 am

Gavin Williamson (South Staffordshire) (Con): I called this debate to reflect some of the real concern in my constituency about the problem of Gypsy and Traveller sites that have been created as a result of current planning legislation. It is a real problem in South Staffordshire, and regulations introduced by the previous Labour Government caused great resentment among the settled community, as well as the Gypsy and Traveller communities. It is a problem not just in South Staffordshire but in many constituencies throughout the country.

My hon. Friend the Member for East Hampshire (Damian Hinds) had a debate on the issue back in September, between the summer and conference recesses. It was an excellent debate, and covered many of the issues and concerns that people throughout the country have. I hope that some of the issues that were highlighted then will be aired today. More important, I want to hear the Minister's proposals, and what progress is being made.

There is anger in the country about what is not a perceived but a real injustice. There is a view that there is one law for the settled community and another for Gypsies and Travellers.

James Wharton (Stockton South) (Con): I congratulate my hon. Friend on securing this debate on a topic in which he has taken a keen interest since coming to the House. Does he agree that it is important that it is on the record that within the travelling community there is a difference between Gypsies and showmen, and that any approach by the Government should pay heed to that difference, and the different ways of life and lifestyles?

Gavin Williamson: Indeed. My hon. Friend makes a valid point. There is a distinct difference between the Gypsy and Traveller communities and showpeople, and that was reflected in the previous Government's planning circulars 04/07 and 01/06. It is important that the differences are reflected not in a top-down national policy but in local policies that are adopted and brought together by local authorities to make provision in their areas. There are distinct differences between those two communities, and that should be reflected in local planning and provision.

There is real anger that the current legislation provides a deeply unfair planning system. In many ways, the previous Government tried to do something about that, and introduced planning circular 01/06 and 04/07 with, I am sure, good intentions. They tried to redress the issues faced by many in the Gypsy and Traveller community—low educational attainment, and health problems—but they created a division, not one settled Gypsy and Traveller community, and the two communities are often almost at war with each other as a result of injustices.

In my constituency there is already extensive planning provision for Gypsy and Traveller sites. Since 2007, permission has been granted for an additional 30 pitches for Gypsies and Travellers. That may not be many, but there are usually three caravans on every pitch, so the development is substantial. That planning permission was granted for green belt land on which you, Mr Howarth, or I or my constituents would not obtain planning permission for a shed, let alone what is effectively a village development. I hope that the Minister appreciates the anger that imbalance in the law causes, and the inequality between the settled community and the Gypsy and Traveller community.

Thirty pitches is a lot, but the problem does not stop there. There are proposals in my constituency and that of my hon. Friend the Member for Stafford (Jeremy Lefroy) for an additional 16 sites in Penkridge in my hon. Friend's constituency, and in Calf Heath and Wombourne in my constituency. Those 16 applications are with the planning inspectorate. Already, the 30 existing pitches that have permission and have been built have increased the amount of provision in South Staffordshire for the Gypsy and Traveller community by 50%. No one could doubt that the people of South Staffordshire are creating and providing sufficient provision for the Gypsy and Traveller community. Those 16 extra pitches will put an even greater burden on South Staffordshire and, in addition, planning approval will be sought for another 30 pitches. That is an awful lot of extra development, all of it on green belt land that is supposed to be protected for everyone in the country, and to preserve our countryside.

One of those applications, in Pool House lane, Wombourne, is with the planning inspectorate on appeal. It is for one pitch, but it exemplifies the deeply flawed nature of planning circular 01/06. It is for a pitch that is, oddly enough, also on green belt land. I am sure that if I owned the land and asked for permission to develop it, I would rightly be refused. At the planning appeal, Matthew Green, who was once a Member of this House, represented the applicants. The district council had rejected the application, but at the appeal Matthew Green was at pains to explain that there was a need for the site under planning circular 01/06 because the person who owned the land did not have anywhere to live, despite having a home and living in it just a few miles away, and despite the fact that just a few miles away, also in my constituency, Gypsy and Traveller sites in Brinsford and Featherstone have many vacancies. But the argument to the planning inspectorate was that pitches were needed, and that the people of Wombourne were bigoted because they did not want a Gypsy or Traveller site.

What the people of Wombourne do not want is one law for Gypsies and Travellers, and another for everyone else. They do not perceive that as being right, because they believe that green belt land is to protect the whole community, and that laws should be applied fairly and equitably.

Andrew George (St Ives) (LD): I am following the hon. Gentleman's argument and I am sure that the Minister would not wish to micro-manage individual planning applications in such cases. Does the hon.

[Andrew George]

Gentleman accept that there are 4,000 families in the travelling community who are currently in need, and that in spite of the pitches that he claims have been granted in South Staffordshire, that need has not been met? In order to meet local housing need, exceptions are made for the housed community with a policy to allow affordable homes on land that would not normally be granted a development. That principle should apply equally to both the housed and travelling communities.

Mr George Howarth (in the Chair): Order. Before the hon. Member for South Staffordshire (Gavin Williamson) resumes his speech, it might be helpful to remind hon. Members that interventions should be sharp and to the point; they are not an occasion to make a mini-speech.

Gavin Williamson: Although my hon. Friend's intervention was broad, it was also informative. He makes an interesting point and introduces another side to the argument. He spoke about provision, and planning circular 01/2006 was about need. In South Staffordshire—I speak with authority only about South Staffordshire; I could not talk about St Ives, for example, because I do not know about the provision there—we have a ridiculous situation. Last weekend, I took the time to visit all the sites in my constituency that had been granted permission since 2007, and many of them were vacant. Hon. Members may intervene and say that that is the nature of Gypsies and Traveller sites because people move on, but there were a high number of vacancies.

A number of months ago during a debate in this Chamber, I highlighted the ridiculous situation of planning permission granted in the village of Brinsford for a Gypsy and Traveller site on green belt land. That was granted on appeal and developed, but there are not enough Gypsies and Travellers to fill that site. The site was advertised in the local *Express & Star* for anyone to occupy. I have no doubt that the policy was introduced with good intentions, but I fear that it is being used as a loophole for a development that would not otherwise be allowed. In South Staffordshire there is ample provision because sites are sitting empty. The people who own those sites and plots are trying to sell them to people who are not from the Gypsy and Traveller communities, and I have had to involve my local authority to get proper enforcement action. Quite rightly, if those sites are provided for the Gypsy and Traveller communities, they should be used by those communities and not for personal gain or profit.

Andrew George: The hon. Gentleman does not deny that there is a shortage of 4,000 pitches in the country. According to Government figures, at the end of 2007, only 50% of the 217 applications for sites to be developed under planning circular 01/2006 were granted planning permission. Does he claim that many of those sites then went on to become housing developments?

Gavin Williamson: No. I am talking about certain areas where a flawed regional spatial strategy was previously in place. In my constituency, and in the wider west midlands, the University of Salford was commissioned to carry out a survey. It involved someone going with a clipboard to all existing Gypsy and Traveller sites and asking, "Do you think you might require extra accommodation?" Oddly enough, the result was, "Yes, we do." Local authorities were then set targets that they had to meet.

The flaw in such a policy is that it did not look at changes in the population. It meant that if a constituency, district or borough council already had an existing Gypsy and Traveller population, there was an expectation for provision to increase dramatically. If there was no Gypsy or Traveller population already in an area, there was rarely an expectation for any provision to be made. Therefore, local authorities that had already made provision and looked after a Gypsy and Traveller population were penalised for that. I hope that the Minister will provide reassurances that those who make provision that, as has been said, is needed in certain areas of the country, are rewarded for doing so. However, it should not be mandatory or expected that those who have already done a lot should do ever more and more. In South Staffordshire—I speak only for South Staffordshire—such provision is there, but it is not being used; the sites are empty.

Graham Evans (Weaver Vale) (Con): I congratulate my hon. Friend on securing this important debate, and I reassure him that what he said about South Staffordshire also applies to Cheshire. Since I have become involved in this issue, I have noticed a lot of smoke and mirrors and red herrings. Behind the developments in my constituency—which sound very similar to those in South Staffordshire—are individual businessmen. This is a business opportunity for certain individuals to buy green belt land for cash and start developing a Gypsy and Traveller site. The moment they make it a Gypsy and Traveller site, things come into play and the issue becomes emotive. There is a lack of will by the local authorities.

Mr George Howarth (in the Chair): Order. I pointed out that interventions should be brief and to the point, not mini-speeches. I hope that the hon. Gentleman is about to draw his remarks to a conclusion.

Graham Evans: I am sorry, Mr Howarth; I am new to this game, but I appreciate what you say. I conclude by asking whether my hon. Friend agrees that much of this matter is about an opportunity for businessmen, rather than for individual Gypsies and Travellers.

Gavin Williamson: Very much so; that is precisely the case. Often, a distorting factor is created in the local agricultural market, and small pockets of land that could be purchased for about £4,000 to £6,000 per acre suddenly have an inflated value. One part of the population can increase the value of a development by turning it into a Gypsy and Traveller site. Unfortunately, in some areas that I have seen proposed for development, people seek to get planning permission to create a Gypsy and Traveller site and then, at a later stage, apply for a change of use or another potential form of development. That is a real concern. It will not happen over the next one or two years, but that is the route that people seem to be taking in the medium to long term.

What do I want to hear from the Minister? I could give him a long list of issues. There have been many positive words from the Department for Communities and Local Government about recognising localism. There have been warm words suggesting that the Department

understands people's concerns, and positive responses to show that it understands the problem in the community. I have heard a lot, but I have seen little done.

I am sure that the Minister has, in his briefing papers, news of an awful lot that is about to be done. However, in late August, just before the debate secured by my hon. Friend the Member for East Hampshire, it was announced that planning circulars 01/2006 and 04/2007 were to be changed and new policies put in place. Unfortunately, everything seems to have gone quiet since then, although the announcement has encouraged a large number of people to make applications before there is a change in the planning circulars. In my constituency alone, there have been 13 applications, including in the villages of Hatherton and Coven Heath. Those people recognise that the loophole may be closed, but although there has been an announcement from the Department, I have not yet seen any action, and people are rushing to take the opportunity to get applications through the loophole.

Jeremy Lefroy (Stafford) (Con): I apologise because I shall have to leave the Chamber to attend a Select Committee shortly. Does my hon. Friend agree that apart from the fact that many of the developments are on green belt, one of the problems that his constituents and mine have is that often there is development before any application for planning permission? That causes great upset. People want to see the rules being followed.

Gavin Williamson: Absolutely. I know the problems that my hon. Friend has had to deal with in the village of Penkridge, where extensive development has occurred. That is truly horrifying for the people who live there, because they see the development happening and local authorities have so few real powers to stop it. A similar situation arose in the village of Coven Heath, in my constituency, just a few months ago. Thankfully, when the bulldozers and everything else went in on the Saturday morning, the planning officers were there and were able to get the legal measures in place to get that stopped. However, there is a real problem, and there is a perceived view that if people apply retrospectively, they are treated more leniently. I hope that the Minister will pick up on that point and possibly explain how that will be changed.

Andrew George: I entirely agree with the hon. Gentleman about ensuring that planning law is enforced and that there is not more leniency for those who have flouted the law, but of course Travellers do not simply evaporate away. If there are not sufficient pitches, the alternative for them is to live illegally. Does he agree with me that it would be far better to have local authority pitches, because the £18 million a year that is being spent on enforcement could be far better spent on ensuring that adequate pitches are available for travelling folk?

Gavin Williamson: The hon. Gentleman makes a very valid point. I would never argue against the idea of providing sufficient pitches for the Gypsy and Traveller community. What I am saying is that we need to get local authorities engaged in the idea of providing those pitches. This is about encouraging them to provide pitches, not having a law that discriminates against the settled community and favours the Gypsy and Traveller community. It is about achieving a balance.

Damian Hinds (East Hampshire) (Con): Does my hon. Friend also agree that this is not necessarily a zero-sum game? The increase in unauthorised sites is in parallel with an increase in authorised sites, so it is not necessarily the case that authorising one site means one fewer unauthorised sites.

Gavin Williamson: That is a very valid point. Let me give people an idea of what has been happening. In 1997, there were 887 unlawful encampments. There are now 2,395 unlawful encampments, and in that time the provision of private Gypsy and Traveller sites has increased. I do not have the figures for local authority Gypsy and Traveller sites, but my understanding is that both private and local authority provision has increased, and so have the unlawful encampments. That proves my hon. Friend's point.

I want the Minister to make it clear when the Department for Communities and Local Government will take action, start delivering on its promises to repeal planning circulars 01/2006 and 04/2007, and put something that is fairer, more just, and right in their place. I hope that the Minister will also do something about the planning applications that are currently going through the appeal process. I am thinking, for example, of the case of the site in Penkridge, in the constituency of my hon. Friend the Member for Stafford (Jeremy Lefroy), which is with the Planning Inspectorate at the moment, and the sites at Wombourne and Calf Heath in my constituency.

My right hon. Friend the Secretary of State for Communities and Local Government said in the main Chamber just the other week:

> "We have certainly stated our intention to repeal circular 01/06 and we shall shortly start consultation on an alternative to it. In the meantime, given that the localism Bill will substantially change planning on these matters, I can say that our intention almost certainly is a material consideration." [*Official Report*, 25 November 2010; Vol. 519, c. 430.]

I ask the Minister to help the communities that I represent, which feel that a gross injustice is being perpetrated against them. Will he write to the Planning Inspectorate, highlighting the Secretary of State's comments in the main Chamber and adding his voice to those comments, and will he ask it to ensure that the Secretary of State's views, and the fact that local authorities such as mine have a policy for dealing with Gypsy and Traveller sites, are properly taken into account, so that perhaps the Planning Inspectorate will consider those factors when making decisions on current appeals?

I accept that the Minister's very able and capable civil servants will often say that there are many reasons why he cannot move swiftly, but I urge him, on behalf of all those in South Staffordshire—and, I am sure, many people throughout the country—to have steel in his spine, make the changes happen, and deliver on the promises; we know that he wants to, and we know that that is required. I am quite sure that he will deliver and make many people in South Staffordshire much happier than they were under the previous Labour Government.

9.57 am

Priti Patel (Witham) (Con): I congratulate my hon. Friend the Member for South Staffordshire (Gavin Williamson) on securing the debate and on his very strong words on this subject. The debate is a great opportunity for me, because I have not been able to

[Priti Patel]

participate in previous debates on the subject, and during the past few months, it has transpired that there have been more and more developments of unauthorised sites across my constituency. I ask for the Minister's indulgence during my speech, because I will refer to a number of sites in my constituency. The debate presents an opportunity to discuss the important issues surrounding unauthorised developments and, significantly, the impact that they have on local communities.

As the Minister may be aware, and as ministerial colleagues in the Department know, in the Witham constituency, there are serious concerns about the robustness of planning processes and the proliferation of unauthorised sites and development by the travelling community. My constituency is a new one, and the issue is complicated by the fact that I have three local authorities, which act in quite different ways in their interpretation of policies for dealing with unauthorised developments.

For the purposes of today's debate, I shall refer to two sites. One is in Pattiswick. I have entered into quite a bit of correspondence on the issue with the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill). Pattiswick comes under Braintree district council. The other site is in the very rural location of Turkey Cock lane, which is in the borough of Colchester. Compared with Braintree, Colchester has a quite different approach to dealing with unauthorised development. However, both sites are causing particular concern and much distress to the local settled community.

As a result of today's debate, my constituents will look to the Minister for reassurance that the problems they face will be considered as the Government develop a new and fairer approach to Gypsy and Traveller planning. Indeed, my constituents would welcome the Government going further and demonstrating that Ministers will be on the side of the law-abiding majority, rather than on the side of those who choose to flout planning laws and restrictions. That comes back to comments made in the debate about this two-tier system—a parallel track, with one side for those who play by the rules and another for those who seek to flout them.

Communities feel absolutely powerless over the site in Colchester borough—Turkey Cock lane—and feel as if there is now nowhere to turn, because the local authority refuses to act against the presence of three additional vehicles, and the site is getting bigger and bigger. Vehicles have arrived on the site, with Travellers living in them, but despite the many concerns raised by the local community and me, the council has chosen to turn a blind eye. It has tried to justify what I would describe as its inertia by claiming that the new vehicles and people are coming on to the site to look after family members who are ill. That, however, has exacerbated the concerns of the local community.

To put in a local context, if a member of the settled local community were to build some form of temporary accommodation on their own land, you can bet your bottom dollar that the council would be there immediately to take enforcement action. Rightly, residents and my constituents are asking why the council has not acted in this case and why, importantly, it has not engaged in dialogue with the local community and residents, who have genuine concerns and fears. Following endless inquiries on behalf of my constituents over the past few weeks, it is fair to say that I feel that we are now just part of an excuse culture from the local authority. It has made it clear that it is not prepared to take action until the new year. I have been informed that the council does not believe that it needs to act in the same manner as it would if a member of the settled community built an unauthorised extension on their land, which I find alarming.

Gavin Williamson: The situation that my hon. Friend outlines creates a great deal of animosity. It is not about creating one community, because the barriers immediately go up, and the perceived difference causes many problems for integration and for the communities coming together.

Priti Patel: My hon. Friend is absolutely right, and it comes back to the whole issue of one system for the law-abiding majority and another for people undertaking unauthorised developments.

The local situation has been exacerbated even more, because two weeks ago, I was informed that the council would not be acting due to human rights considerations. As I am sure hon. Members will appreciate, my constituents feel that that is just yet another excuse. The Minister and Members familiar with human rights, the Human Rights Act 1998 and the European convention will appreciate the comments that I am about to make: nowhere does the Act say that it can be used as a cover for local authorities to take no action whatsoever. My constituents believe that, without a doubt, there are two parallel systems—one for Travellers and one for those who play by the rules. There is deep alarm that the local authority—Colchester borough council—is not acting, and my constituents feel that they have no powers to compel it to act.

Neil Carmichael (Stroud) (Con): I, too, have problems with Travellers in my constituency. There are two issues: one is enforcement—we simply have to enforce existing legislation where appropriate. The other issue, about which my hon. Friend is making a strong point, is the need for clarity over what action is available for local authorities and other authorities that act in this respect. I urge the Minister to set out the stall over what can be done and how it should be enforced.

Priti Patel: I thank my hon. Friend for those remarks, because in my constituency there are three local authorities—I will touch on the other two—and everything seems quite subjective. Laws are being applied differently, so we seek clarity.

That brings us to the forthcoming localism Bill, which will hand more powers to local communities. I hope that the Minister will consider empowering residents to force local councils and authorities, such as Colchester borough council, to act to ensure consistent enforcement of rules and regulations, because we need consistency across the country. While some local authorities have not taken sufficient action, for whatever reason, in my constituency we have the example of a local authority trying to act on behalf of residents but being hugely frustrated by protracted planning and legal considerations—something which my hon. Friend the Member for South Staffordshire touched upon.

In Pattiswick in the district of Braintree, Travellers have been illegally developing a site since September in a location regarded as a special landscape area. Residents are deeply concerned about that development, and are being frustrated in their efforts to have illegal developments removed. A planning application has not been submitted thus far and, despite action by Braintree district council through the courts, the Travellers have used every tactic available under the law to play for time while they act in contravention of the enforcement action taken by the council. On 15 October at the High Court, the council was successful in obtaining an injunction preventing further development at the site, but the existing developments were allowed to remain pending the outcome of any appeal. That, of course, has caused a great deal of stress in the local community. That said, one of the Travellers was successfully prosecuted earlier last month for breaching a temporary stop notice.

Despite the clear breaches and the fact that the council has taken legal action, the Travellers have until 1 January 2011 before the enforcement notice takes full effect, and further appeals will absolutely come. That lengthy process is deeply unsettling to local residents. They are genuinely concerned, because local council taxpayers are footing the bill for the legal action, and Pattiswick residents are concerned to hear from the local authority that the cost implications of the case thus far may restrict the council from taking any further action.

I ask the Minister, how can this be right? It is not just a concern for the present but is an ongoing concern. I urge him to ensure that the right legislation is in place to guarantee that local communities and local councils can act quickly, efficiently and decisively to remove illegal encampments and block unauthorised developments, such as those in my constituency. I have been in correspondence about those two sites, and, although I would not say that the issue was spiralling out of control, it demonstrates the inconsistency in how local authorities deal with such matters, as we have heard.

The third local authority in my constituency is Maldon district council. Along with my constituents in Tolleshunt Knights, it opposed a planning application for a development for travelling show people, which Ministers will know about. The case went to the Planning Inspectorate, which took time to confirm that it would consider the revocation of the regional special strategies that cause a huge amount of alarm within local communities, and, I think, caused alarm in the Department when I raised the issue with Ministers. Frankly, there is far too much uncertainty. People were already concerned that planning circular 04/2007, which we have discussed, would remain in force and would compromise local opposition.

We know the intention of planning circulars 04/2007 and 01/2006, but I come back to the fact that they cause great uncertainty. I urge the Minister to reconfirm that they will be scrapped, and I hope that a timetable will be put in place sooner rather than later to allow that to happen; otherwise, there be many other such cases, not only in the constituencies of colleagues here today, but across the country.

With the localism Bill just around the corner, the fundamental message is that we absolutely must empower our local communities and councils to take effective action promptly. We must also remove any bias or discrimination in the system that works against local settled communities. Along with my hon. Friend the Member for South Staffordshire, I urge the Minister to be incredibly robust. We have lost a lot of time, and action must be taken. There is great unease in my constituency, given the cases that I have highlighted. I would welcome significant assurances from the Minister that the law will be on the side of my constituents and that our local councils will be empowered to do the right thing.

10.11 am

Damian Hinds (East Hampshire) (Con): I congratulate my hon. Friend the Member for South Staffordshire (Gavin Williamson) on securing this important debate. It is very timely, given that we are in the run-up to the introduction of the localism Bill, to which we all very much look forward. My hon. Friend and other hon. Members present fully acknowledge the importance of having a measured and reasoned debate on a subject on which feelings, locally and elsewhere, can run high, and that is exactly what we have had.

The debate's title is "Gypsy and Traveller Sites", but in many ways we are not talking about Gypsies and Travellers. The issues of trespass, unauthorised development and so on are often conflated with the issue of Gypsies and Travellers. It is absolutely fair to say that my constituents and hon. Members present are talking not really about the fact of Gypsies and Travellers, but about actions and activities that get in the way of others.

We all acknowledge the challenges that members of the Gypsy and Traveller communities face, and I say "communities" in the plural, because Gypsies are different from Travellers, and both are different again from travelling show people, as hon. Members have mentioned. These groups face particular challenges in terms of educational attainment, health outcomes and so on, and much good work is done in local authorities and elsewhere to try to improve those outcomes. In all these debates, we must also remember that children are involved, and no child chooses the lifestyle into which they are born. It must be fundamental to our activities that we secure the best educational and health outcomes for such children.

I am a libertarian, as I suppose most of those present are to a greater or lesser degree, and it is not for us to dictate the lifestyle that anybody should adopt. However, it is also the fundamental principle of libertarianism that we should let people do, and encourage them to do, absolutely what they want as long as it does not harm others. It is the second part of that principle that we are more concerned about today. We have built up a massive system of laws to enshrine the basic principle of allowing people to do what they want as long as it does not harm others. It is absolutely fundamental that all people and groups abide by the same set of laws, because that is good for community cohesion. One of the great things that unites us is our system of laws, which underpins our society.

Notwithstanding my intervention on my hon. Friend, we must ensure that there is adequate provision of good, authorised sites. I therefore welcome the Government's proposed incentives under the new homes bonus to encourage the provision of such sites. However, more needs to be done, and we look to the Minister to ensure that the localism Bill includes the measures that people want to create a level playing field.

[Damian Hinds]

In particular, there is the issue of retrospective planning applications, which, although not the only issue in my constituency, have been a fundamental issue. We all recognise that there must, for all sorts of reasons, be a place for retrospective planning applications. However, it cannot be beyond the wit of man, let alone politicians and civil servants, to come up with a set of principles and rules that allow genuine mistakes to be rectified while not preventing wilful abuse of the system. I look to the Minister to ensure that such provisions are included in the Bill. To conclude, I congratulate my hon. Friend the Member for South Staffordshire once again on securing the debate and on the measured way in which it has been conducted.

Mr George Howarth (in the Chair): The two Front-Bench speakers will take up 15 minutes apiece, so there is scope for other speeches to be made. However, those who wish to speak should signify in some way that they want to do so.

10.16 am

Graham Evans (Weaver Vale) (Con): Thank you, Mr Howarth. I am new to this, so I am not quite clear about the procedure in this debating Chamber.

I want to make a brief contribution about my constituency in mid-Cheshire, which faces a lot of the issues that my hon. Friend the Member for South Staffordshire (Gavin Williamson) outlined so well. The fundamental issue for our constituents is fairness. Is it fair that most ordinary citizens have to go through the planning process, while others do not? I recently had to apply for a change of use of premises for a new constituency office, and it was really quite amusing to see what hoops I had to jump through just to get a change of use from a taxi office to an ordinary office.

In the six months that I have been a Member of Parliament, I have learned how people can buy a strip of green belt land and transform it. If I wanted to become a landlord, it would be quite simple. I would buy a strip of green belt land and say that I wanted to build stables, for example. I would start to build a stable block, but with no intention of putting horses in it; in fact, I would put in toilets and showers. That would be done without planning permission. I would then install utilities, including water, waste water utilities, and a septic tank. Again, I would do that without planning permission. I would then leave it a few months before inviting people to pitch up and put their caravans on my land. Again, there would be no planning permission.

That is all done in the face of the local community. When the community notifies the local authorities, the authorities seem unwilling, although I believe they are able, to take those responsible to task. In my earlier, lengthy intervention, the point I was getting at was that we are talking about business men who see an opportunity to become landlords. They can have several pitches and they can charge rent for them. These are not Gypsy and Traveller sites in the sense that members of the travelling community come, spend sometime at the site and move on; these are semi-permanent pitches. A coach and horses can be driven through green belt legislation by turning a stable block into a toilet block and putting utilities on the land. That can be done over a weekend.

When I was campaigning before the general election, a lot of residents contacted me on the Thursday evening before the Easter bank holiday to say that people were planning to move on to a site with concrete mixers and tarmac to put in hard-standing alongside the utilities—the utilities were already there, but the site was going to be turned into a permanent fixture. We notified the local authorities on the Thursday that that was going to happen. The people went on to the site on the bank holiday Friday, but no local government officers were there, despite the notification. Over the Friday, Saturday, Sunday and Monday, those involved were able to secure the pitches and make them semi-permanent.

Most ordinary people are not legal beagles, and they do not know the complexity of the legal system, but lay people like me know when something that is about to happen is wrong. Local authorities and their legal departments seem unwilling to enforce the existing law. Daresbury is a classic example from my constituency of what happens with Gypsy and Traveller sites. The people concerned see an opportunity to have a brand new Traveller site, although I use the term loosely, because the sites are semi-permanent, with all the utilities. An extensive legal process is now under way; it is taking months, which will soon turn to years. The business men in question seem able to recruit and pay the best legal advisers and barristers, who in court run rings round the local authority legal departments. I am aghast at the lack of will or ability on the part of local authority planning departments.

Gavin Williamson: Does my hon. Friend think that part of the reason for that is that there is such financial gain to be had from securing those planning permissions that an awful lot of money can be ploughed into securing them in the first place? That is why the applicants can afford such expensive legal teams.

Graham Evans: My hon. Friend makes an important point, with which I agree. We are talking about business men capitalising on a business opportunity; the matter has very little to do with the travelling community. Although those business men may be connected to the travelling community, they live in fixed abodes. The hon. Member for St Ives (Andrew George), who is no longer in his place, alluded to the travelling community, but I do not believe that this matter is totally about that community. It is about a business opportunity that is very well executed. As my hon. Friend the Member for South Staffordshire said, it is so profitable that it is worth employing the best barristers to run rings round the local authority representatives.

In my constituency there are two such sites. Towers lane is an area of outstanding beauty. Ancient hedgerows were dug up on a bank holiday and the whole area has been tarmacked. There are utilities, so the people there are paying for gas and electricity, and water rates. Those sites are therefore now semi-permanent, and are legal in the sense that the bills are being paid. I presume rent is being paid to the landlord. Yet there is no planning permission, in green belt, in some of Cheshire's most outstanding areas of beauty. It is a fantastic business model for those who can get away with it—and the people in question are getting away with it. I look forward to hearing the Minister's comments, because the scam must come to an end. It is not about human rights; it is about fairness and ensuring that the constituents of many hon. Members have their voices heard.

10.23 am

Mr James Gray (North Wiltshire) (Con): It is a pleasure, indeed, to follow my hon. Friend the Member for Weaver Vale (Graham Evans), who describes very succinctly a problem that many hon. Members present for the debate have experienced in our constituencies. It is particularly associated with bank holiday Mondays, lengthy legal disputes, and people who describe themselves as Travellers becoming, to all intents and purposes, members of the settled community.

I congratulate my hon. Friend the Member for South Staffordshire (Gavin Williamson) on securing this important debate. I think it is the third or fourth on this subject in which I have taken part in this Chamber. I hope that what the Minister will tell us, and what will happen in the next few months, will mean that we shall not have to have constant repeats of this debate here, because the Government will take urgent steps to put right what we have been discussing. I apologise to my hon. Friend the Member for South Staffordshire for missing the early part of his remarks. I shall read them with care tomorrow in the *Official Report*.

It seems to me that we are seeking three or four things from the Government. First, when the original local authority Traveller legislation was passed—in 1966, if my memory serves me right—there were something of the order of 2,000 Gypsy caravans illegally parked in England, because there were no local authority sites. In 1997, at the time of the repeal, there were still 4,500 illegally parked Gypsy caravans in England, despite the fact that local authorities had in the meantime built 7,000 pitches. Today there are—I think, from memory—17,500 Gypsy caravans altogether around England. That is an exponential growth in so-called Gypsy caravans. It appears that no matter how many sites one provides for them, more Gypsy caravans appear to fill them. It is a sort of Parkinson's law. The more sites are built, the more Gypsy caravans there are.

The Government should start by defining precisely who the people in question are, and what duty society has to provide for them. My understanding is that under the law the words "Gypsy" and "Traveller" include everything, starting with bona fide Romanies, of whom we have many in Wiltshire, whom we welcome very much and who can be seen beside the road carving trinkets—good luck to them. They are great people, proper travellers, decent people—and law-abiding, by and large. The words in question also include the Irish. Some of the Irish travellers in my constituency are pretty rough, to say the least, although many are not. I take issue with the inclusion of travelling showmen. Travelling showmen are an entirely different group—mainly settled. They are mainly very decent people. There are some very nice ones in my constituency. They tend to be in a place for a very short time and then go back to their base, taking their show kit with them. Of course, hippies, junkies and all sorts of layabouts come into the category of Travellers and Gypsies, and they have the same rights, apparently, to set up their caravans in the middle of our countryside wherever they wish, under an antiquated law.

Secondly, we hope that the localism Bill, whose presentation in the House we all look forward to, will deal with local people. If someone comes into my constituency surgery saying that they come from Inverness and they want a council house, I will say to them, perfectly legitimately, "I'm extremely sorry; you must get back to Inverness. The people of Wiltshire have no responsibility to provide a council house for you. You must prove a local connection;" whereas, if a Gypsy comes to my constituency surgery and says, "I'm a Gypsy and I want to set my caravan down in your constituency," under the current Act and under planning circulars 01/06 and 04/07, I have some legal responsibility to allow that. That seems to me to be quite wrong.

Even worse is the situation of a lady who came to my constituency surgery and said, "I have a caravan in the middle of my organic farm; it's about 20 acres. The local authority has decided that the organic farm is no longer making money and therefore requires me to leave." Quite why the profitability of the organic farm and her ability to live in the caravan are linked, I do not know; but apparently they are. My constituent was thrown out of her caravan. It did not have to be moved. It was in the middle of nowhere. She was allowed to put chickens in the caravan, but she was not allowed to live there. I said to her, "What I think you should try is to get in touch with the local authority and say that you are extremely sorry, but you made a mistake, because you did not declare yourself to be a Romany Gypsy. If you declare yourself a Romany Gypsy, presumably planning circular 01/06 or 04/07 will apply to you. Take it to court. Try to work out whether you could be a Gypsy. I bet you anything that the courts will not be able to sort that one out for you."

We need localism. It is reasonable that the people of Wiltshire should welcome Wiltshire Gypsies and make proper provision for them. We should make sure that there are quite enough sites in Wiltshire. I think that there are; the county is very well provided with sites. However, what of Gypsies from elsewhere in England, or indeed elsewhere on the continent? As Romania becomes part of the European Union, we may well see more Roma Gypsies moving to this country, as happened in France. We must say to the Irish, "You must stay in Ireland." We must say to Gypsies and Travellers from across the continent, "Wherever you came from, stay there." We in Wiltshire—it will be the same for other hon. Members' areas—have a moral duty to make proper provision only for our local Gypsies, and not for anyone else.

The third thing that I hope the Government will attend to is the question of the regional spatial strategy. It was an absurd document. It included the carrying out, somehow or other—we do not know how it was done—of a ridiculous survey of the number of Gypsies and Travellers in England. They were divided up between the number of areas—eight or nine, I think, covering the whole of England—and the bizarre conclusion was reached that the south-west of England should have x thousand Gypsy sites. That was divided by the number of counties, to give x hundred for Wiltshire, and that was divided by the number of district councils. That came, in my case, to about 50 or 60 Gypsy sites needed in North Wiltshire. There is no logic in that at all, particularly given that the people in question are Travellers.

The RSS has gone, but it is not clear whether the courts will pay any attention to it. I know that there was recently a very awkward court case in which it was discovered that the abolition of the RSS did not have any effect on house building. We very much hope that the Minister will make it plain this morning that the

[Mr James Gray]

abolition of the RSS and the Secretary of State's determination in relation to it are a material consideration in planning appeals about Gypsy sites. Alternatively, if that is not so, the Government should take urgent action to repeal the RSS, bring in the localism Bill, and repeal circulars 01/06 and 04/07. Without that, there will be, as some of my hon. Friends have said this morning, a mad rush of Gypsy encampments to get through the gap before this action is taken by the Government. Some urgent action is required by the Government: it is not just a question of being sympathetic. We need to hear from the Minister that the Government intend to take urgent action to stop what is, without question, a loophole in planning law, to require local authorities to make provision for their local Gypsies, but to allow local authorities and local people to say to Gypsies from elsewhere around England or Europe, "You may now return to wherever it was you came from."

10.30 am

Alison Seabeck (Plymouth, Moor View) (Lab): The hon. Member for South Staffordshire (Gavin Williamson) has instigated an important debate on the problems and issues that need to be addressed by Government policy in relation to Gypsy and Traveller sites and behaviour, and how all that fits with the planning process. It has been a thoughtful debate and hon. Members have avoided getting emotive on a subject that often tends to move in that direction.

I can remember as a child that my father, who was then a senior councillor on Havering council, sought to resolve the deep unhappiness that unregulated and illegal Traveller sites caused in that area. He took the view that it was important to find sites that could be properly managed and where the Gypsy and Traveller families were better able to access education for their children, health care and advice on what were and were not acceptable actions when living in the locality. That was an enlightened view at the time, but we are now some 40 years down the line, and successive Governments have failed to provide a solution that works for the settled communities, who face unacceptable levels of illegal and unauthorised sites. It also fails to deal with the needs of travelling communities and Gypsies.

We are still seeing the enormous cost that can be caused to local authorities and other organisations, and we are also still seeing the abuse that some Gypsy and Traveller families face, when they may well in fact simply be trying to remain within the law, because—let us be absolutely clear—the appalling behaviour that we have heard described today is not that of the vast majority of the travelling community.

This debate, though, is about Government policy and how it would deal with the elements that have been highlighted in the debate. How will the Department determine the level of provision needed? The hon. Member for North Wiltshire (Mr Gray) spoke with some experience on this subject, but he, too, was unclear about the level of need. It is understood that the Department for Communities and Local Government would look at the Gypsy and Traveller accommodation assessments, and consider how local authorities would decide to review the level of provision that those assessments indicated was necessary. What is the time scale for that, and what action will the Government take if local authorities, having identified need, do not make adequate, or indeed any, provision to meet the need for suitable accommodation?

Mr Gray: The point I was making is that it is not possible to assess the need because of the European Union. There are Gypsies and Travellers from across the continent who could theoretically land up in any of our constituencies. It is not possible to assess that need and, therefore, what we should be saying is not, "Let us assess the need." Let us say, "Only local Travellers, only Travellers who have demonstrable Wiltshire connections may stay in my constituency. The rest must push off somewhere else."

Alison Seabeck: That is a very interesting view. It is a nimby view and, given that the nature of travelling populations is that they move around the country as part of their culture, it would be quite difficult to enforce.

How will localism deal with a complex problem, which, as has just been clearly flagged up, is mobile, does not just affect one community and can be very transitory? Hon. Members asked for clarity and coherence of policy across local authorities. Quite how that works alongside localism is an interesting subject, and one we will no doubt debate further when the Bill comes forward.

How will the Government identify those travellers who are described in the DCLG announcement made on 6 July by the Secretary of State as playing by the rules, and what are those rules? What guidance will be given to Gypsy and Traveller communities on that? What discussions has the Minister had with the Gypsy Council about the potential impact of abolishing the regional spatial strategies and of circular 01/06? Although that circular was slow to take off under the last Government, the general view, although not shared by hon. Members here today, is that it was beginning to work. I have no doubt that the Gypsy Council will have lobbied the Government on that.

Given that the statement on the RSS is still subject to court proceedings, what is the exact status of the planning policy specific to Travellers? In particular, given the concerns that he raised, the hon. Member for South Staffordshire should be aware that the courts have found against the Secretary of State on the issue of material consideration. That is somewhat in limbo at the moment.

I was interested to read that the Government intend to apply the new homes bonus scheme to authorised Traveller sites. That is interesting because, as it stands on the information that we have, the scheme already favours the building of homes on greenfield sites, because that is where there is the quickest return.

Gavin Williamson: I accept the point about greenfield sites, but there is a vast difference between greenfield and green belt. The issue that often exercises most people is that the site is on green belt land, on which no one else would get permission to develop.

Alison Seabeck: I will come back to the green belt issue later. In parts of the country—certainly in and around Plymouth—we are looking at greenfield development. There are concerns within settled communities that the speed with which developments may be able to

take place and the incentive brought back in on greenfield sites could encourage local authorities to develop sites more quickly, perhaps in areas that others might think unsuitable.

Will any site that is taken out of use be considered in the same way as demolitions in the housing stock will be netted off against the bonus paid, as part of the new homes bonus? If the pitches are unoccupied for large parts of the year—let us understand that Traveller and Gypsy families do move around and will winter in one place and summer somewhere else—I am not entirely clear how the homes will be viewed. Will they be vacant or occupied? Will the empty homes proposal kick in for any reason, if the pitch is not used for six months? How will that work? Will there be exemptions?

Gavin Williamson: The hon. Lady touched on a point when she said that she felt that the planning regulations were working, and she talks about empty, vacant pitches. Does she not agree that it is a disgrace that such pitches are getting planning permission and then people attempt to sell them on the general market? Is that not an abuse of the planning regulations?

Alison Seabeck: The hon. Gentleman makes an interesting point, and I am interested to hear what the Minister has to say in response, as it is clearly a problem the hon. Gentleman has experienced in his area; it is not one I have come across. If there is an abuse there, along with the other abuses in the system, Governments of whatever colour need to look at how we block them off.

I come back to the point about whether there will be exceptions. Given the general unpopularity of such developments, if the new neighbourhood planning arrangements are introduced and the Government and local authorities expect such sites to go ahead even with the incentive, there could be considerable local unhappiness. Therefore, I am not clear how, ultimately, need will be met. We have heard from the hon. Gentleman that there seems to be over-provision in his area. We know that in other parts of the country there is a real shortage, and then we end up with illegal sites. Are we simply going to be chasing illegal site users around the country, with all the cost and damage that sometimes follow them?

I also worry about the site identification process, because I suspect most MPs will have evidence of sites being put forward as suitable for Gypsy and Traveller families, which are far from that. Indeed, when the issue was debated in July 2009, the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), described a site where the sewage drained straight into a ditch, and said that a condition for planning on that site was that it should not be occupied by any group other than Gypsy and Traveller households. Why is it acceptable for those families to live in such conditions but no one else? It hardly helps to build mutual respect in a community and encourage behavioural change if people are treated with such a lack of respect.

Gypsy and Traveller families already face shorter life expectancy and higher infant mortality and have fewer children in education than any other group. That was a point touched on by the hon. Member for East Hampshire (Damian Hinds) in his intervention.

We have to find ways to reduce the £18 million bill linked to Gypsy and Traveller communities that local authorities face annually, a subject that was highlighted by the hon. Member for St Ives (Andrew George), who is no longer in his place. We also have to find ways in which those groups can be seen as part of the local community; they should be active participants and not seen as being wholly negative. A good starting point would be to use some of that local authority funding, which is linked largely to tackling the negative side of the issue, to set up better managed sites. There are positive things in some of the Government's measures, and I would welcome improved tenancy rights for those who remain on authorised sites, if they are brought forward.

We have heard about the tensions that exist between the settled and travelling communities. The hon. Member for South Staffordshire expressed concern about the use of green belt land. I wonder whether his local authority has given any thought to the possibility of having sites closer to the centres of towns in his patch, as they may be more suitable. We tend to think of Gypsies and Travellers living in fields in the outskirts. London, however, has a number of inner city sites; they are well managed by the local authorities and they work quite well. It is all too easy to put these people at the back of beyond, and we ought to give sites nearer the centre a little more consideration.

Graham Evans: The hon. Lady mentions the back of beyond. That may be her view, but in my constituency in the county of Cheshire the back of beyond is beautiful and outstanding countryside. I am as concerned as she is about individual Traveller communities, but I was alluding to those who make business opportunities out of the local authorities' lack of will.

Alison Seabeck: I stand corrected, and apologise for my slightly sloppy use of language. I hope that the hon. Gentleman will understand that I meant the outskirts of towns, not the centre. I was not casting aspersions on the beauty of the countryside around his constituency—nor, indeed, around mine, as Dartmoor is on the northern edge. If I may, I shall return to the question of businessmen shortly.

The hon. Member for Witham (Priti Patel), who is no longer in her place, highlighted the need to support the law-abiding. I assume that she means in both the settled and the travelling communities, and I entirely agree with that sentiment. The hon. Member for East Hampshire made a strong case for the freedom to live one's life as one chooses, but he made it clear that with that freedom must come responsibility. Again, I doubt if anyone here would disagree. The hon. Member for Weaver Vale (Mr. Evans) said how important it was for policies to be seen to be fair across communities. He spoke of businessmen who, almost by stealth, can change green belt sites into sites for Travellers, which was an extremely pertinent comment. We certainly need to consider that outrageous scam, as some people are making a lot of money from it. The hon. Gentleman was quite right to bring that to the attention of the House.

Where unauthorised sites exist, we should come down on them like a ton of bricks. Being able to move quickly is often the key. Sadly, however, we have heard that many local authorities are slow to respond when local residents draw their attention to the fact that Travellers might have moved in. They need to act as early as possible, and have the power to move them on to

[Alison Seabeck]

authorised sites or to sites out of the area, while ensuring that there are no specific welfare issues. The powers exist, but as the hon. Member for Witham flagged up, her constituency contains a number of local authority areas, and some of them use the powers well and some do not. In this localist world, it behoves local authorities to act, but they should understand that they have a responsibility to a much wider community.

Having a spread of authorities would clearly help, but I am not wholly convinced that the Government's proposals address the question when taken in the round. The Government should avoid contradictory aims, and I am therefore most interested to hear what the Minister has to tell us.

10.44 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure, Mr Howarth, to serve under your chairmanship, and to take part in what is turning into a quarterly debate on Gypsies. The hon. Member for North Wiltshire (Mr Gray) was one of several Members who alluded to the previous debate in September, to which I responded.

I wish to make it clear from the outset that the Government are committed to sustainable development in every community. It is important that local authorities should plan for the future of their communities, both in economic and environmental sustainability, as well as social sustainability – something that was at the forefront of today's debate. The tension, anger and frustration about the relationship between unauthorised developments and encampments and the communities afflicted by them came through strongly in this debate.

The Government have made it clear from the outset, as has my right hon. Friend the Secretary of State, that they want to see fair play, with everyone being treated equally and even-handedly. We are encouraging local authorities to provide appropriate sites for Travellers. That should be done in consultation with local communities to meet local need and historic demand. As several Members pointed out, we will provide incentives for them to do so. We believe that it is important to take action against unauthorised Traveller encampments and developments, and to take note of the effect that they have on local communities.

I return to a point that many speakers readily acknowledged in this thoughtful debate: the huge majority of members of the Traveller community live peaceably on authorised sites, and have good relations with the settled community about them. It is at the fringe – the minority – where we experience the difficulties that were brought to our attention. The minority give a bad name to the Traveller community, and it has a negative effect on community cohesion. We also need to tackle discrimination to Travellers, and the poor social outcomes that they face.

Much has been said about the two-tier planning system, and it is right that such a system should be broken down. I shall say more on what the Department and the Government are doing, and will do, to deal with that. However, we must recognise the other side of the coin – a two-tier delivery of services, on one hand to the settled community, and on the other, to the Gypsy and Traveller community. We have to tackle that problem as well. Indeed, one might reflect that unless we do so, in the longer term it will ultimately prove impossible to deal satisfactorily with the side of the coin that we have been discussing this morning.

Mr Gray: I am not sure that I entirely agree with the Minister. My experience in Wiltshire is that the services provided to the travelling community are outstanding, as they are to the settled community. The schools, the health service and the other services provided by the state are provided as brilliantly to them as to everyone else. It is up to them to decide whether to make use of the schools and how long they should keep the children there, or whether to make use of the national health service. I am not certain that we should blame ourselves for making inadequate provision; rather, it is a question of whether or not they make use of it.

Andrew Stunell: The hon. Gentleman's experience in Wiltshire sounds admirable. It is a pity that it is not reflected across the country. The life expectancy of Romany Gypsies and Irish Travellers is 10 years shorter than the national average; Gypsy and Traveller mothers are 20 times more likely to experience the death of a child than the rest of the population; and the school attendance and educational attainment of Gypsy and Traveller pupils is much lower than their peers at every key stage. As a responsible society, we cannot simply wash our hands of that problem and say that it is no concern of ours. More relevant to this debate, however, is the clear disconnection between Gypsy and Traveller communities and the settled communities through which they pass and in which they reside. It is not made any better by the outcomes that result from such a disjunction.

Turning to what the Government have done so far on the matters raised in this debate, the Secretary of State has made it clear that we will abolish regional strategies, and the text for that will appear in the localism Bill, which will be published before Christmas and make its way through the Houses of Parliament over the next few months. Under the Bill, decision-making on housing and on Traveller sites will be returned to local communities, thereby giving them a new role in building up local plans, and the opportunities for retrospective planning applications will be limited. Local authorities will get stronger enforcement powers to tackle unauthorised sites.

I hope that hon. Members who have contributed to this debate will study the provisions in the Bill to satisfy themselves that what I have said is correct. I am sure that they will let me know if there are any gaps that still need to be plugged once the legislation is in place. As I previewed in September, a cross-Government, ministerial level working group has been set up to address the discrimination and poor social outcomes experienced by Traveller communities. The Secretary of State has written to local authorities to remind them to be alert and ready to take action against sites that set up over bank holiday periods, which the hon. Member for Weaver Vale (Graham Evans) mentioned. We have not only announced our intention to revoke the circulars but set about doing so. Such action can only be taken after consultation, otherwise it would not be a lawful revocation, and that process will start early in the new year.

Gavin Williamson: I welcome my hon. Friend's announcement. Although I appreciate that he must go through a process to make the changes, I urge him to do so with speed. He must ensure that his Department does the job thoroughly, but he must bear it in mind that time is a consideration and that these changes must be made very quickly.

Andrew Stunell: I entirely agree that we need to do the job thoroughly and quickly. To do it thoroughly, we are required, by statute, to have a 12-week consultation period, so that is as fast as we can go. None the less, I can reassure the hon. Gentleman that the Secretary of State and the ministerial team are thoroughly apprised of the problem and are working hard to ensure that we reach a solution.

We must be careful about the terminology we use, because each one has different legal implications and outcomes. Unauthorised developments, to which the hon. Member for Weaver Vale referred, are sites on land owned by the Gypsy and Traveller community, and unauthorised encampments are trespasses on other people's land. When we talk about how we tackle each of those, we must be clear that we need a different prescription and legal process to deal with them. Existing police powers can deal with unauthorised encampments if an alternative site is available in the local authority area. It is that conditionality that means that action against unlawful encampments is often not as prompt as hon. Members and communities would like. To deal with the problem, we must have a larger number of authorised sites so that when trespass takes place it is feasible for rapid action to be taken under the existing law.

Mr Andrew Turner (Isle of Wight) (Con): Does the Minister not agree that it makes better sense for there to be powers to remove people without any conditions about forming encampments elsewhere? Would it not be better to have two stages that are not related?

Andrew Stunell: This is an issue that has been through the courts on a number of occasions. One must recognise that everyone in society has rights, and they include the right to life. Although I take stock of what my hon. Friend says, I do not think that that is the way to proceed. We must ensure that there are lawful and appropriate places in which all the residents of the United Kingdom can live. If we have that and they choose then to trespass elsewhere, they should be dealt with quickly and promptly.

Mr Gray: The Minister, I think, is not correct. Surely if someone is trespassing, they should be removed from that site whether or not there is proper provision elsewhere in the local authority area. He is mixing up two things. He refers, I think, to circular 01/06, which specifies that someone may not be removed from an unauthorised site that they own unless there is proper provision elsewhere; and that of course is what should be repealed. I suspect that the Minister has muddled the two areas.

Andrew Stunell: I certainly welcome further advice from the hon. Gentleman, who has taken a real interest in the development of policy in this area. The Government recognise the need to provide appropriate places in which all residents of the United Kingdom can live, and that certainly includes the Gypsy and Traveller community.

Damian Hinds *rose*

Andrew Stunell: Let me move on to the new homes bonus, because that is the incentive for local communities to contribute to solving the problem. The bonus is being consulted on at the moment, with a closure date of 24 December—so there is a little bit of pre-Christmas reading for those who have taken part in this debate. A response to the Department would be very welcome.

The hon. Member for Plymouth, Moor View (Alison Seabeck), who speaks on behalf of the Opposition, posed a number of questions. I suggest that she take stock of the questions and the outline of the scheme in the consultation document and then let us know how she wishes to proceed. The new homes bonus will be helpful. In the coming financial year, we will resume grants to local authorities for the appropriate development of Gypsy sites.

Gavin Williamson: I appreciate that time is very short, and that the Minister is probably coming to my last request, but may I urge I him to write to the Planning Inspectorate, highlighting the words that were said in the Chamber by my right hon. Friend the Secretary of State? Will he state that they should be taken into account when considering the planning applications that are under appeal?

Andrew Stunell: The Secretary of State has made it clear to the Planning Inspectorate, planning officers and the House that the decisions that the Government have announced they intend to take are material considerations that should be taken into account. We have done that in relation to the regional spatial strategies as a whole, and I will talk to my ministerial colleagues about whether it would be appropriate for the Secretary of State to write in the terms that my hon. Friend has set out.

We are in a situation that has defied policy solutions for year after year, and the hon. Member for Plymouth, Moor View was good enough to acknowledge that. Whether we have strong central policy or a locally based policy, the answer has to be the same; we need to have more suitable legal accommodation for the Gypsy and Traveller communities. [HON. MEMBERS: "No."] I hear hon. Members disagreeing with that, but if we are talking about Wiltshire homes for Wiltshire people—whether they are Gypsies and Travellers or members of the settled community—that is a planning policy that has some very confining outcomes for Wiltshire. It is the case that we live in a fluid and mobile society, generation to generation, and we must recognise that in our planning system and in our policies for Gypsies and Travellers and for developing social cohesion. The anger and concern of today is real and must be addressed, but it must be done in a measured and responsible way, which is exactly what this Government plan to do.

Detention of Palestinian Children (West Bank)

11 am

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I very much welcome the opportunity to have this debate today, especially as it is taking place just two weeks after members of the all-party group on Palestine visited the west bank, under the auspices of the Council for Arab-British Understanding. I would like to put on record my thanks for CAABU's support during our trip, and for the work that it does in promoting better understanding between the middle east and Britain.

During our visit, we had meetings with various politicians and officials, including the Palestinian Prime Minister and Foreign Secretary, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the UN's Office for the Co-ordination of Humanitarian Affairs and others. However, our main concern was to see for ourselves the conditions faced by Palestinians in the west bank. In meeting that aim, we were assisted by various non-governmental organisations, which also deserve our gratitude. We toured the area of E1 and visited Silwan, where homes are under severe threat of demolition and where a large area has been redesignated as a protected area. We also toured the northern west bank, including Nablus and the Balata refugee camp.

We saw one household that has effectively been excluded from its community because it is sandwiched between the so-called security wall and a settlement. The owner of the house has been given a key to a small metal gate in the fence, but he still cannot easily access his land, which used to take him only a few minutes to reach. We met another family on the edge of a small village whose home had been attacked more than 90 times by nearby settlers, leading to one death and the destruction of their herd of goats, and therefore of their livelihood. We visited a Bedouin herding community who are constantly being harassed, including by having their shacks destroyed, and who have tremendous difficulty accessing basic services such as health and education. They do not have access to water because they are so hemmed in, and consequently they need to buy it, although they cannot easily afford it.

I could go on. However, it was a visit to a military court, where we saw the court process involving Palestinian children, that shocked us to the core, so we decided to highlight the issue on our return. That is why I applied for this debate, and why I shall concentrate mainly on that issue during it. However, I am not losing sight of the fact that it is not only a serious issue in its own right but illustrative of some of the wider issues in play in the occupied territories involving settlements, prolonged military occupation and de facto annexation of land. The military court system plays a component part in those wider issues, and I am sure that colleagues will wish to refer to some of those other issues if they manage to catch your eye, Mr Howarth.

According to article 37(b) of the UN convention on the rights of the child,

"The arrest, detention or imprisonment of a child...shall be used only as a measure of last resort and for the shortest appropriate period of time".

Since 2000, around 6,500 Palestinian children have been detained in Israeli jails. In total, 32% of confessions made by children are taken in Hebrew, a language that is not spoken by most Palestinians.

Guto Bebb (Aberconwy) (Con): Could the hon. Lady just clarify where that information comes from—that specific claim that 32% of confessions are made in Hebrew?

Sandra Osborne: Certainly. As I said, a number of NGOs took us around, and they have done research on the issue. However, most of the information comes from Defence for Children International, which has taken the testimonies of many children. I refer the hon. Gentleman to its report, if he wants to see more information.

Israel operates a dual legal system for Israelis and Palestinians, with different ages of responsibility and different levels of protection for Israeli and Palestinian children. In 2009, two thirds of Palestinian children detained reported being physically abused during their time in custody. Allegations of torture remain widespread. The Palestinian section of Defence for Children International reports that more than 700 children a year are prosecuted in Israel's two west bank military courts. Since 2000, around 6,500 Palestinian children have been detained in Israeli jails. As of 1 November 2010, 251 Palestinian children were being detained in three Israeli prisons. Two of those children are currently being held by Israel without trial or charge, under administrative detention orders.

The Addameer Prisoners' Support and Human Rights Association reports that most Palestinian children are detained on the charge of throwing stones; 62% of those arrested in 2009 were detained on that charge. Children are taken away from their home, generally at night, and they are blindfolded, often humiliated, and regularly abused. While we were at the military court, we spoke to a family who had been woken during the night and told to stand outside their home because their son had been identified as a boy who was going to be arrested. He was taken off, and the parents had no idea where he was going to. Children are taken to unknown military detention centres that are generally outside the occupied territories. The family is rarely informed of the location of their child, and may only find out that information via contact with the International Committee of the Red Cross or legal NGOs.

Once in detention, a child is rarely told why they have been arrested, and they are held for up to eight days without access to their family or a lawyer. Interviews take the form of military-style interrogations, and are conducted without video recording, despite demands to end that practice. Forms of abuse that are frequently reported include sleep deprivation, beatings, slapping and kicking, denial of food and water, prolonged periods in uncomfortable conditions, exposure to extreme heat or cold, and denial of access to toilets and washing facilities. In total, 81% of Palestinian children confess during interrogation. The Public Committee Against Torture in Israel reports that abuse is widespread:

"Out of a sample of 100 sworn affidavits collected by lawyers from these children in 2009, 69% of the children reported being beaten and kicked, 49% reported being threatened, 14% were held in solitary confinement, 12% were threatened with sexual abuse including rape and 32% were forced to sign confessions in Hebrew."

At the end of our all-party group's four-day tour of the occupied west bank, we arrived at the military court of Ofer. We were there to witness just how the Israeli military courts treated Palestinian children. The courtroom procedures were witnessed by our delegation in a tense

and distressing atmosphere. There was a jangle of chains outside the door of the courtroom. All the visitors froze. Army officers led child detainees into the military courtroom. The children's legs were shackled, they were handcuffed and they were all kitted out in brown jumpsuits. One had to wonder if the soldiers felt threatened by 13 and 14-year-old boys.

We waited in the basic concrete courtrooms, looking at the uniformed judge and prosecutors. Two parallel processes happened. The judge, the prosecuting team and the defence lawyer discussed the case in Hebrew, with an interpreter translating into Arabic. No witnesses were called and no testimony was challenged. The judge never once looked at the children or spoke to them. Some children only met their lawyers for the first time in the courtroom. Each child's case lasted barely a few minutes. I think that I am correct in saying that there was no outcome reached in any case that we saw, although my colleagues will correct me if I am wrong. The cases were all continued. I do not know if that had anything to do with our presence, but that was the situation.

For all the children we saw that morning, the only thing that mattered was seeing their families, perhaps for the first time in months. They showed no faith in the proceedings, neither caring what the judge was saying nor expecting to be released. One child had to shout out to his parents the name of the prison inside Israel where he was being held. His parents had had no idea where he was being kept. Nearly all the children were there on stone-throwing offences. One was being tried on the basis of a confession from another minor, which was later withdrawn.

Lawyers advise children and their families to plead guilty, not because the children might be guilty, but because if they plead guilty, they might be released after three months, whereas if they plead innocent, they are likely to be detained for about a year, which for a child of that age is unthinkable. In 2006, acquittals were granted in just 0.26% of child cases, which shows a presumption of guilt, not innocence. All prosecuted children get a security record that prevents them from entering Israel or Jerusalem, which affects them, as do the other aspects of growing up under occupation.

For decades, our Government have said that Israel must adhere to international law, including the fourth Geneva convention, including by ending illegal settlements, home demolitions, collective punishments, the use of human shields and the theft of resources and artefacts. It also means addressing the treatment of Palestinian children in military courts and detention centres. Is it not time for the British Government to show that they are serious about their responsibilities to hold Israel and its leaders to account? Israel cannot remain above international law.

John Woodcock (Barrow and Furness) (Lab/Co-op): Much of the account that my hon. Friend is giving is first-hand and distressing. Although I know that we will hear more in her conclusion, will she also make the case that the process remains a two-way one? Israel should be held to account for its obligations under international law, but it is also important that the Palestinian Authority play their part in creating meaningful peace and security in the region.

Sandra Osborne: Of course that is true, but I point out that Defence for Children International is carrying out research on both juvenile court systems to assess their equity. The fact remains that the Israeli Government treat Palestinians and Israelis in two different ways, one involving military courts and the other civil courts, which cannot possibly be justified.

Guto Bebb: Is it not the case that that dual system recognises that the west bank, for example, is not an annexed part of Israel? There is an issue in terms of the legal systems and the Palestinian Authority being coupled with Israel. As those areas are not annexed, the legal system that Israel faces involves a different way of dealing with those children.

Sandra Osborne: The Palestinians have their own system for dealing with juvenile crime. I might add that we raised some issues about that with the Palestinian Prime Minister, who certainly acknowledged that there are problems with adult crime. The occupation has gone on for years, and the fact that Palestine is at least facing up to its difficulties and trying to improve the situation is laudable. However, it does not really matter what the legal system is. The system used by the Israelis breaks international law. That is completely unacceptable, and it is high time that something was done about it.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my hon. Friend on securing this enormously important debate. Further to the previous intervention, if I understood it correctly, it cannot be defensible to argue simply that because Israel is illegally occupying other territories, that justifies a dual and discriminatory legal system that contravenes international law and the human rights of Palestinians. Surely that is not what the hon. Member for Aberconwy (Guto Bebb) was arguing, was it?

Sandra Osborne: I certainly hope not. I could not agree more with my right hon. Friend.

Will the Minister confirm that the Government accept that such treatment is a serious breach of the fourth Geneva convention, and that the Government should implore Israel to abide by its treaty obligations? Will he raise those issues personally with the Israeli Prime Minister on behalf of the UK Government? Has he made any effort to view the military courts? I know that he will visit the west bank shortly; will he consider seeing the situation for himself?

DCI has made the following recommendations based on its detailed research into the legal issues. The Israeli authorities should:

"Ensure that no child is interrogated in the absence of a lawyer of their choice and family member;

Ensure that all interrogations of children are video recorded;

Ensure that all evidence suspected of being obtained through ill-treatment or torture be rejected by the military courts;

Ensure that all credible allegations of ill-treatment and torture be thoroughly and impartially investigated".

Those found responsible for such abuse should be brought to justice. Furthermore:

"No Palestinian child should be detained inside Israel in contravention of Article 76 of the Fourth Geneva Convention".

Thank you, Mr Howarth, for the opportunity to have this debate. I hope that the Minister will take this serious matter on board.

11.15 am

Richard Burden (Birmingham, Northfield) (Lab): I congratulate my hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne) on securing this important debate. I have been to the area many times and seen aspects of the occupation and its impact on the lives of Palestinians that I can only describe as Kafkaesque. Having been there so many times, I thought that the area had lost its capacity to shock me. I had read reports by Defence for Children International and other non-governmental organisations about the treatment of child prisoners in Israeli jails, and I had read United Nations reports about the use of detention, but as it is a part of the world in which facts are often the subject of dispute and counter-dispute, I thought that the chance to go to a military prison and court would be valuable, so I could see with my own eyes what happens.

When I saw the military court and what went on there, I knew that the area still had the capacity to shock me, with a vengeance. As my hon. Friend graphically described, when I saw children come into the room—it would be over-egging it to describe it as a courtroom in the way that most of us would understand the term—shuffling because their legs are shackled together, and with their hands in handcuffs, it hit me. It hit me even more to be told by an observer, a brave Israeli woman who monitors what goes on in such courtrooms week in, week out, that what we saw was better than normal. The children came in handcuffed with their hands in front of them, but all too often their hands are cuffed behind their backs.

It hit me when I saw the look on the face of a child who only wanted to see his mother, who had come to the court to see her child, probably for the first time since he was arrested in the middle of the night. There were two ranks of chairs in the spectators' gallery, and we happened to be in the front row. There were not enough seats, and some parents sat in the row behind us. When some of my colleagues offered to give up their seats to the parents so they could be a bit closer to their children, they were told by the security guard that it was not allowed and that the Palestinian parents had to sit in the second rank. When one sees such things for oneself, one cannot ignore it and say, "Well, this is just something to do with the political situation there." It is totally unacceptable.

Guto Bebb: The hon. Gentleman paints an extremely distressing picture. Having said that, it is important to point out that the hon. Lady told us that the vast majority of such children face charges of throwing stones, but is it not the case that much more serious accusations are made against many: for example, being involved in shootings, throwing Molotov cocktails or attacking military vehicles? Is it not the case that in a civilised society, putting somebody on trial for such behaviour is a reasonable response?

Richard Burden: I cannot envisage any situation in which a child, whatever they are alleged to have done, should be manacled, shackled and denied the right to see their parents. We cannot start discriminating against someone on the basis of the offence for which they are being tried. That does not excuse holding and treating children in ways that are contrary to the UN convention on the rights of the child and to the provisions of the Geneva convention. My views on the Israel-Palestine issue are well known—I do not claim to be impartial or always objective—but I would like to think that if I sat in a Palestinian court and saw an Israeli child being brought in shackled and manacled with their hands in front of them or behind their backs, I would not say, "Well, we have to remember that the Palestinians are actually living under occupation." I hope that the hon. Gentleman would see that the same thing works the other way around. Whatever a child is alleged to have done, such treatment is unacceptable.

The hon. Gentleman is right that those teenagers are often charged with a range of offences, but the most common charge by far is for stone throwing. As my hon. Friend the Member for Ayr, Carrick and Cumnock said, DCI reported in 2009 that of the 192 cases in which it represented such children, 117 were for a charge of stone throwing, which is 61%. I do not want to go over the ground of whether the charges brought against those children are questionable—I think that many of my colleagues will speak about that in due course—but I want to say something about stone throwing and the context in which it happens.

Stone-throwing incidents frequently take place in areas close to Israeli settlements in the west bank, which are, as we have heard, illegal under international law. Palestinians living there, in a very literal sense, see those settlements as a concrete manifestation of occupation, a manifestation that is increasing in size and population. The presence and expansion of settlements and the dispossession or eviction of Palestinians to make way for them creates a tinderbox for violent confrontation. The settlements all too often bring Israeli soldiers and settlers in the occupied territory close to Palestinian population centres, and Israeli soldiers have sometimes shot children close to settlements and the separation barrier.

We have also seen a worrying rise in settler violence, according to UN monitors and human rights groups in the area. In 2010, there were on average 35 incidents of settler violence a month, an increase from 15 in 2006. As my hon. Friend said, we saw at first hand the evidence of some of those attacks near the town of Nablus and spoke directly with some of the Palestinian victims. Not all of the allegations stand up, but all the indications from the UN and others show that settler violence is a growing and real problem. It is a matter of concern in the context of this debate that more than 90% of cases of alleged settler violence that are investigated by the Israeli authorities are closed without any charges being filed. It is a very different picture for charges brought against Palestinians, particularly in the way in which Palestinian children are arrested, detained and sentenced.

As we have heard, there is a dual system of law based on nationality. Few Israeli settlers are charged with offences committed in the occupied west bank, but when they are, they are prosecuted in regular civilian courts within the state of Israel. Palestinians who are arrested, however, have to go to military courts and are held in military prison. That applies to children as well as adults. Palestinian children in the west bank go to military courts, but Israeli children go to civilian juvenile courts. What counts as a child in such cases depends on whether they are Palestinian or Israeli. The minimum age for criminal responsibility is the same for Israelis

and Palestinians; in both cases, it is 12. However, the minimum age for a full custodial sentence in the Israeli civil system is 14, and in the Israeli military system it is 12. The age of majority for Israelis is 18, but for Palestinians it is 16. On the legal right to have a parent present during questioning, there is a partial right for Israeli children, but no such right for Palestinian children. It has to be said that in neither case is there a legal right to have a lawyer present. Is there audio-visual recording for interrogations? For Israeli children the answer is yes, but for Palestinian children it is no. The maximum period of detention before being brought before a judge is 48 hours for Israeli children, but 8 days for Palestinian children.

The maximum period of detention without access to a lawyer is 48 hours for an Israeli child, but for Palestinian children it is 90 days. The maximum period for detention without charge for an Israeli child is 40 days, for a Palestinian child it is 188 days. The maximum period of detention between being charged and the conclusion of a trial is 6 months for an Israeli child, but two years for a Palestinian child. Bail is denied in 20% of cases for Israeli children, but in 87.5% of cases for Palestinian children. Custodial sentences are imposed in 6.5% of cases for Israeli children, but in 83% of cases for Palestinian children. If that is not a form of apartheid in the legal system, I do not know how else to describe it. When victims of such apartheid are children, it become even more distasteful.

As chair of the all-party Britain-Palestine group, I do not claim to be impartial on the political situation in the west bank, but as I said to the hon. Member for Aberconwy (Guto Bebb), I would like to think that if the boot was on the other foot I would take exactly the same view.

Mr Andrew Smith: My hon. Friend's commitment in that area is widely recognised. I invite him to speculate on why Israel continues in that fashion, given that it does such enormous damage to its international reputation and to the case it makes for self-defence. Could it be that the culture of subservience that is being inculcated is calculated by the Israeli authorities to confer benefits that outweigh the damage to its international reputation, not least because of the pusillanimity of the international community when confronted with such blatant disregard for human rights and international law?

Richard Burden: My right hon. Friend makes a good point, and we can only speculate on that. To some extent, we have already heard the answer today. Somehow, rights that should be inviolable and indivisible are being qualified, largely because Israel feels under threat. They are being qualified in a way that I do not think Israel would accept for any other state in the world. If we are to reach a settlement in that part of the world, the need to recognise that people have rights, irrespective of whether they are Palestinian or Israeli, is fundamental. We should not say that mistreating children in court is bad and then say that we should remember why it happens. Mistreating children in court is wrong, and we should be big enough to say that without qualification.

Guto Bebb: The hon. Gentleman has stated that he is not impartial on the issue, which is a reasonable point for him to make. It is important to note that it is asked time and again why Israel behaves in that way. I do not believe for one second that Israel would behave in that way unless it was faced with an insurrection that put its citizens in danger, and that insurrection is unfortunately utilising young people in the Palestinian territories. Does he not condemn the use of young people by terrorist organisations in the Palestinian territories to attack Israeli citizens? Does he not condemn the use of young people in such an inappropriate behaviour?

Richard Burden: The hon. Gentleman again makes my point for me. I absolutely do condemn that, without qualification. However, will he condemn, without qualification, the treatment of children in Israeli prisons? I invite him to intervene on me again.

Guto Bebb: I do not think that that can be done without qualification, because the context is crucial. In this debate, we have heard various claims about stone throwing and so on, but nothing, for example, about the 54 young children who were arrested for throwing grenades. The context is important. We know that this country has also behaved inappropriately in terms of human rights when specific circumstances called for unacceptable behaviour; for example, in respect of court services in Northern Ireland. Sometimes things have to be put in context.

Richard Burden: I am afraid that I do not share the hon. Gentleman's view that circumstances may call for unacceptable behaviour. If behaviour is unacceptable, it is unacceptable, and it is unacceptable in this case.

In conclusion, I again invite the Minister to agree with the delegation's recommendations. We came back with some specific recommendations about what we should call on Israel to do. My hon. Friend the Member for Ayr, Carrick and Cumnock made these points, which bear brief repetition. First, no child should be interrogated in the absence of a lawyer of their choice or a family member. Secondly, all interrogation of children should be recorded audio-visually. That now applies to Israeli children but not to Palestinian children. Thirdly, we should call on Israel to ensure that all evidence suspected of being obtained through ill-treatment or torture is rejected by military courts. Fourthly, all credible allegations of ill-treatment and torture should be thoroughly and impartially investigated, and those responsible brought to justice. And, fifthly, no Palestinian child from the occupied territories should be detained outside the provisions of article 76 of the Geneva convention.

The UK has a particular responsibility in this situation. Not only is it a signatory to the fourth Geneva convention, it is a high contracting party to it. It is important that we do rather more than agree that such things are unacceptable; there is an obligation on us to do something about them. I hope that the Minister will give an indication not just of his views on these things—I have no doubt that he will share our abhorrence of some of the things that we saw, and that would be a good, important start, but it is important to say not just what we think about such things but what we are prepared to do about them.

11.32 am

Grahame M. Morris (Easington) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth, for the first time. I compliment my hon. Friend the Member for

[Grahame M. Morris]

Ayr, Carrick and Cumnock (Sandra Osborne) on securing this important debate. As has already been indicated, I was one of four Members of Parliament from the all-party group on Palestine who visited the west bank only last week. I do not have any long-standing commitment to the Palestinian cause as such, but as a new MP, I felt that it behoved me to look at the situation with my own eyes, to make my own objective judgment on what I saw, and to share my evidence with the House.

Last Monday, I was in an Israeli military court in Ofer with my colleagues and the non-governmental organisation Defence for Children International, which was mentioned earlier. I received a briefing from the NGO's solicitors but also had an opportunity, through an interpreter, to chat with some of the families of the children detainees. I would like to use this opportunity to record my thanks and those of the whole delegation for the excellent work that NGOs such as Defence for Children International perform. They do valuable work documenting what is actually happening, bearing witness and providing information that we in turn can bring to the attention of the Minister in the hope that some of the issues can be addressed.

The situation facing Palestinian child detainees—"Palestinian" is an important distinction to make—is serious in its own right, but as colleagues have said, it is also symptomatic of some of the other, interrelated issues in play in the occupied territories. The illegal settlements on the west bank and in East Jerusalem have already been mentioned; in many respects, they are becoming a kind of de facto annexation. Also mentioned were the seizure of water resources and Palestinian lands, which we also visited. We spoke with Palestinians, NGOs and various other organisations, including the United Nations.

The military court system plays an important part in those wider issues, and I want to concentrate my remarks on it and how it is applied to Palestinian children in detention. It is important to repeat something that has already been said: Israel's actions represent serious breaches of the fourth Geneva convention, the UN convention against torture and the UN convention on the rights of the child.

Frankly, the experience last week of seeing the treatment of Palestinian child detainees was shocking. I am the father of a 13-year-old child, and the image of children of 12 and 13 in prison fatigues with leg irons and manacles being marched into court was appalling. I found it difficult to come to terms with it. Although that was the first time I had witnessed such violations, they are not recent. They have been happening consistently over the past 43 years of the military occupation.

Israel signed up to the UN convention on the rights of the child in 1991. Does the Minister agree with UNICEF, which only last month stated that Israel was in tangible breach of that convention? Will he not only ask but insist that Israel applies the convention to its conduct, not only in its own territories but in the occupied territories?

It seems that arrest and detention are used by the Israeli authorities as their default position. My hon. Friend referred to article 37(b) of the UN convention on the rights of the child, which states that the arrest, detention or imprisonment of children should be the last resort. However, for Palestinians, imprisonment without due process seems to be the measure of first resort. Under the convention, authorities should refrain from detaining juveniles who are undergoing trial, but Israel detains them in 87.5% of cases. Children are frequently taken into detention inside Israel, as, of course, are adults, but I want to concentrate on child detainees.

Israel has a clear obligation, and there is a clear violation of article 76 of the fourth Geneva convention. The hon. Member for Aberconwy (Guto Bebb) asked whether there should be some dispensation because Israel is in dispute about whether occupied territories or some annexation is involved. This is occurring in occupied territory, and Israel has a clear obligation in international law under article 76. By removing adults and, indeed, children from the occupied territories to detention centres and prisons in Israel, it is in clear breach of its obligations, just as it is in breach by moving settlers into the occupied territories.

I would like to share some of the conversations that I had with the families. The standard operating procedure is as follows. Palestinian children are often arrested at checkpoints. They are not arrested in situ for throwing stones at the army—the arrests happen afterwards. Children may be taken off the street or, most commonly, from the family home. During house arrests, large numbers of Israeli soldiers typically surround the family home, often in the early hours of the morning, between 2 am and 4 am, and, once a child has been identified for arrest, he or she is often roughed up—slapped or kicked—then blindfolded, and their hands are tied behind their back with a plastic tie. The child would then be placed in the back of a military vehicle, often on the floor, and, again, they would suffer further physical and psychological abuse on the way to interrogation and detention centres.

On arrest, children and their families are seldom informed of the charges against them. Often, the evidence is confessions from other children, who have been asked to identify their friends who have been involved in stone-throwing. The evidence used is questionable. Families are not informed of where their children are taken; most often they are taken out of the west bank to detention centres or prisons in Israel. On arrival at the detention or interrogation centre, the child is either placed in a cell or taken straight for interrogation. I am told that common interrogation practices include slapping, kicking—

Guto Bebb: The hon. Gentleman specifically said "I am told". Is this hearsay or actual evidence?

Grahame M. Morris: I am relating the evidence that was relayed to me. I did not see this with my own eyes. I had conversations with families of detainees and a reputable source, in so far as the NGOs that I spoke about—international lawyers—have documented these cases, and there is a common strand, in terms of the modus operandi and methods that are employed in both the arrest and interrogation of the children.

Guto Bebb *rose—*

Grahame M. Morris: I will give way one more time.

Guto Bebb: I am extremely grateful. The hon. Gentleman mentioned the MO—in other words, a pattern of behaviour. There has been a pattern of behaviour during this

debate; because numerous references have been made to stone-throwing, but there has been no recognition of the fact that, for example, 217 Palestinian children were arrested between 2000 and 2009 for involvement in suicide bombings. Several references have also been made to torture; the International Committee of the Red Cross has never censured Israel for any torturous behaviour in its prisons.

Grahame M. Morris: I will come on to that in a moment, but I want to press on with what happens to the children before doing so. I am not mounting a defence of what they have done, but explaining what happens. I am certainly not defending violence or criminal acts. I am simply explaining, as the father of a teenage child, what happens, which is unacceptable and in clear breach of international obligations.

On arrival at the detention or interrogation centre, the child is either placed in a cell or taken straight for interrogation. Common interrogation practices include slapping and kicking, verbal abuse of and shouting at children, who are often threatened into confessing. Threats are made against the child's family, including the threat of having their homes demolished or having travel documents withdrawn, which means that the family will no longer be able to work. In most cases the children confess to the allegations put to them within the first couple of hours. It is not uncommon for children to be given a confession written in Hebrew, on which their signatures are put. Hon. Members should remember that, often, these children do not understand Hebrew. Another disturbing aspect of these detentions and arrests is that the children are not visited by their families; they are not allowed visits. As has been mentioned, all bar one of the centres where the Palestinian children from the west bank are taken are inside Israel.

Israel, by wilfully depriving a protected person of their right to a fair and regular trial, is in grave breach of the fourth Geneva convention. I should like to draw the Minister's attention to the legal duty, which my hon. Friend the Member for Birmingham, Northfield (Richard Burden) mentioned, on all 194 high contracting parties to that convention, including the United Kingdom, to provide effective penal sanction for persons committing or ordering the commissioning of such grave breaches, and to search for and prosecute those responsible. Minister, children as young as 12 are regularly denied access to a lawyer and visits from their families.

In 2008, bail was denied in 91% of all cases involving Palestinian children. I saw evidence of that with my own eyes at first hand, having seen children who had been detained for three months without access to, or contact with, their parents or families.

The hon. Member for Aberconwy asked why there were no documented cases of complaints of torture. I asked the same question. Between 2001 and 2008, over 600 complaints were filed against Israeli Security Agency interrogators for alleged ill-treatment and torture. To date, there has not been a single criminal investigation—not one. There cannot be any prosecutions, because the Israeli authorities do not investigate complaints.

Palestinian children, including girls, have been held under administrative detention, which is detention without charge or trial, granted by administrative order rather than by judicial decree. There is also a broader denial of freedom. To put all the issues relating to detention in the context of the broader picture, Palestinian children have been denied freedom, live under military occupation and face inordinate obstacles. For example, they have to negotiate checkpoints just to get to school, to visit medical facilities and even to get to their homes.

A whole generation of Palestinian children are being denied their childhood, and not just on the west bank. I read an article in *The Guardian* recently about the Prime Minister having highlighted issues in Gaza, which he described as a "prison camp". When will the Foreign Secretary call the Israel ambassador in and say that these persistent and systemic violations of international law are unacceptable and will have consequences for our relations? The Israeli Government have demanded that we change perfectly proper British legislation about the prosecution of war criminals, yet they continue to commit war crimes.

The Israelis pretend that they are adhering to their obligations under international conventions, and we in the west pretend that we believe they are adhering to these conventions. Now it is time for action to bring about justice and to relieve the suffering of Palestinian children and the Palestinian people in both Gaza and the west bank.

11.48 am

Ian Lavery (Wansbeck) (Lab): I congratulate my hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne) on securing such an important debate. I am amazed that Members of Parliament are seeking to justify Israel's being allowed to contravene international law. I am disappointed, to say the least, that certain people believe that children can be tret in this way, because, regardless of colour or creed, children are children and we should be looking to protect them under international law.

Article 37(b) of the UN convention on the rights of the child, which has been mentioned by Opposition Members, states clearly:

> "The arrest, detention or imprisonment of a child...shall be used only as a measure of last resort and for the shortest appropriate period of time".

That is not the case in Palestine or Israel. Children are taken to court, or to detention centres up and down the west bank and detained for long periods. Around 700 children are prosecuted a year, and 9,000 adult Palestinians have been prosecuted in military courts. Since 2000, around 6,500 Palestinian children have been detained. What I saw at in the military courts beggared belief. Like my hon. Friend the Member for Easington (Grahame M. Morris), I am a parent, and I have children. The way children were tret in the military courts was absolutely savage, and cannot be justified. Kids as young as 12, and up to 16 were frightened out of their wits. They had not seen their parents since they were detained. They were snatched at the dead of night, bound, put in the back of an Israeli army truck, kicked and beaten, and taken to a detention centre with no parents, no lawyers and no one at all to protect them.

Most of the children—62%—were detained on stone-throwing charges, but even if every one of them were 100% guilty, no member of the public, let alone a Member of Parliament, should try to justify the treatment that they received.

Guto Bebb: Labour Members seem to treat Israel as a special case. In effect, they are saying that even if the children in question are guilty—the hon. Gentleman's figures show that 38% were charged with issues unrelated to stone-throwing—Israel has no right to self-defence. If young people from the Palestinian territories are being used by terrorist organisations to attack the state of Israel, should the hon. Gentleman not condemn that, and be as keen to do so as he is to condemn the state of Israel?

Ian Lavery: I thank the hon. Gentleman for his intervention. The simple answer is that even if children are 100% guilty, there is no justification whatever for treating them in the way they are being tret. I have seen that with my own eyes, but I will move on.

The people we are talking about are subject to all sorts of abuse, including sleep deprivation, beatings, slappings, denial of food and water, position abuse, exposure to extreme heat and cold, and denial of access to toilets and washing facilities. Some 81% of those children—81% of the Palestinian children detained—confessed during interrogation, and 32% of those confessions were, as my hon. Friends said, written in Hebrew, so how are they supposed to understand anything? It is a disgrace, and a deliberate attempt to intimidate Palestinian children in any way, shape or form.

How can that be in the best interests of children? If a child pleads guilty, they may be penalised for around three and a half months, and 81%—the vast majority—do plead guilty. They do so because if they plead not guilty it will probably be one or two months before their case is even heard in court, and the full duration of the process may take up to a year. It is common sense that if the penalty is three and a half months for pleading guilty as opposed to in excess of a year for pleading not guilty, they will plead guilty. Again, that is intimidation of the highest order. The problem following prosecution is that the children, and members of their families, have a security record, so they cannot enter Israel or parts of Jerusalem.

I shall touch briefly on some cases of mistreatment of children. The details come from the Defence for Children International. Palestinian children have been used as human shields and their lives have been put at risk. In August, a 13-year-old was reportedly used as a human shield near Nablus. In October, the Israeli military authorities opened an investigation into the use of a 16-year-old girl as a shield. In November, two Israeli soldiers who used a nine-year-old Palestinian boy as a human shield received suspended sentences and were demoted after being convicted of "inappropriate conduct". The unnamed soldiers ordered Majeh Rabah from the Tel Al-Hawa neighbourhood in Gaza city to check bags for explosives in January 2009 towards the end of the Israeli three-week offensive.

Will the Minister confirm that no one, let alone a nine-year-old child, should be used as a human shield? Does he agree that that is a disgrace, and a clear violation of international law? Has he made the strongest representations about the failure to hold those soldiers to account? We heard of disturbing new cases of tasers being used on children during interrogation. Will the Minister look into that as a matter of urgency?

Young people were threatened with electric shocks, and the threat alone convinced many of them to plead guilty to charges. But electric shocks are not just threatened; they are used in interrogation. We must remember that those children are on their own, have not seen their parents, and are not legally represented, yet they are blindfolded, with shackled arms and feet, and threatened with electric shocks. We heard reports from DCI that some children have had electrodes attached to their genitals with the threat of electric shocks. That is absolutely horrendous, and enough to break any reasonable person's heart.

We heard of a child being held in solitary confinement for 65 days at Al Jalameh. In east Jerusalem there have been an increased number of cases of abuse of children following clashes near the illegal Israeli settlements at Silwan, which we visited only a few days ago. Some 380 settlers had moved into 18 homes in that overcrowded Palestinian district of 13,500 people, leading to the demolition of Palestinian homes. In 2010, more than 1,200 criminal cases had been opened against children from occupied east Jerusalem alleging involvement in stone-throwing incidents. The youngest boy to be mistreated was only seven years old.

[Mr Roger Gale *in the Chair*]

There are many other problems in Jerusalem. A case lasting two years involved an innocent child. In another case, eight Palestinian teenagers were held for two years on testimony from soldiers that was subsequently overturned. There have been serious breaches of the fourth Geneva convention, and of the UN convention against torture and other cruel, inhuman or degrading treatment or punishment, and the UN convention on the rights of the child, article 3 of which clearly states:

> "In all actions concerning children...the best interests of the child shall be a primary consideration."

That article is blatantly and openly violated. Those are not recent violations; they have happened consistently over 43 years of military occupation.

At some stage, we as politicians and members of the public must ask what we can do to ensure that Israel stops breaching and violating those articles, international laws and conventions. Over the past few days, UK representatives at the United Nations have agreed at committee level that such violations have taken place. Who are those representatives? What is their mandate? What are we doing about it? Is it for the UK Government to tell representatives on UN committees that action must be taken? We cannot continue to ignore such violations and the systematic abuse of children.

This is a cross-party matter; I am not here spoiling for a fight with the Government, and I hope that we can broadly agree that this matter is about children being abused at an international level. We have a duty as parents, fathers and decent people to protect children no matter what the circumstances, and regardless of their colour or creed, whether they are black or white, rich or poor, or which country they come from. I hope that the Minister will agree and explain to the House what we can do together in the simple name of moral humanity.

12.1 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I welcome you to the Chair, Mr Gale, for the final two speeches of the debate. I congratulate my hon. Friend

the Member for Ayr, Carrick and Cumnock (Sandra Osborne) on securing this debate, and I pay tribute to her long-standing and consistent advocacy of human rights in general, and the Palestinian cause in particular, during her time in the House. The same applies to my other hon. Friends who have contributed to the debate.

Over the past hour, we have heard powerful and often shocking testimonies that demonstrate the importance to the work of the House of delegations such as that sent by the Britain-Palestine all-party group to the west bank last week. It is welcome to have such an immediate and early opportunity to address the situation viewed by those who visited last week.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt) *indicated assent.*

Stephen Twigg: I see the Minister nodding—we have cross-party agreement on that.

This is my first opportunity to speak about the middle east since I joined the shadow Foreign Office team in October. My right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), the shadow Foreign Secretary, visited Israel and the west bank last week, and met a range of Palestinian and Israeli leaders, including President Abbas and Prime Minister Fayyad. I would like to reaffirm the Labour party's long-standing commitment to the middle east peace process and a solution based on the two states of Israel and Palestine living side by side in peace and security, with Jerusalem as a shared capital, and human rights at the heart of the process. Progress will require action by both sides, although in the context of this debate, particularly by Israel to end the expansion of settlements and the blockade of Gaza, as well as action by the Palestinians and other Arab states to fulfil their obligations under the principles of the Quartet.

I am pleased that my hon. Friend the Member for Ayr, Carrick and Cumnock focused on the plight of Palestinian children and, although I am a friend of Israel, I condemn everything that we have heard about today. That should not be difficult for a friend of Israel to do. If we are serious about the peace process, those of us who have long been friends of Israel must be clear that we are also friends of the Palestinians. I see my hon. Friend the Member for Birmingham, Northfield (Richard Burden) nodding; I know he believes that that can be achieved, provided that we stick with the absolute principles of human rights and democracy.

I deplore the methods that we have heard about in such detail today, primarily because they violate the universal principles of human rights, but also because they exacerbate tensions and undermine the prospects for peace. I pay tribute to the organisations mentioned during the debate and the brave NGOs that take up such causes. In particular, I mention Defence for Children International and the Israeli human rights organisation, B'Tselem, which does fantastic work in that field.

My hon. Friend the Member for Easington (Grahame M. Morris) mentioned night arrests, which are of particular concern especially if, as is alleged, they involve the use of physical violence. That cannot be right morally, but it must also worsen community tensions in what are already difficult and fragile circumstances. As a number of my hon. Friends have said, interrogation methods include the use of blindfolding and sleep deprivation to obtain confessions. Detainees are often presented with a confession written in Hebrew—a language that the vast majority of them do not understand. Several cases have been cited that suggest that people have signed confessions that they did not understand, which is not right or defensible. There is a lack of legal representation for detainees; many reports from international and Israeli human rights groups describe detainees not being permitted proper legal counsel throughout their interrogation. As we have heard, the majority of cases end in a confession.

Data from B'Tselem suggest that the number of detainees have been relatively constant over the recent period. At the end of October, just over a month ago, 251 minors were detained by Israeli security forces in the west bank, including east Jerusalem—my hon. Friend the Member for Ayr, Carrick and Cumnock also cited that figure. That is of great concern, but I am particularly worried about those 34 detainees who are aged between 12 and 15, and the two aged between 16 and 18 who are being held under administrative detention.

Earlier, there was an exchange with the hon. Member for Aberconwy (Guto Bebb), who is no longer in his seat, about the application of human rights conventions in the occupied territories, and the security situation. I have two observations about that. First, even if Israel argues that obligations on human rights do not apply in the case of an occupied territory, international humanitarian law is clear and should be respected. I would urge Israel to apply the conventions on human rights as well. Secondly, as has been mentioned previously, according to the convention on the rights of the child—to which Israel is a welcome signatory—a child is defined as

"every human being under the age of 18 years."

Nevertheless, we still have the inconsistencies and discriminatory practices to which reference has been made.

Mr Andrew Smith: I congratulate my hon. Friend on his inaugural speech on the middle east as a member of the shadow Foreign Office team. What additional measures does he believe the international community should take to pressurise Israel to conform with the conventions that he advocates?

Stephen Twigg: I thank my right hon. Friend for that question. It is crucial to have a consistent approach from the Government, the European Union and particularly from the United States Government—the one country to which Israel listens. The issues in question must be raised consistently, just as we would do with other countries around the world.

One specific point that relates tangentially to the debate about settlements is the announcement made by my right hon. Friend the Member for Normanton, Pontefract and Castleford. Following her visit last week, she said that she will press for products that come from the settlements to be labelled as such, so that consumers who want to exercise consumer choice not to purchase settlement-produced goods can do so.

I am conscious of the time and I want to say a few things in conclusion. First, I pay tribute to the excellent work of a wide range of NGOs, some Palestinian, some Israeli and some international. Save the Children does very important work in the west bank. I was reading about an example of that yesterday. The post-trauma

[Stephen Twigg]

rehabilitation of Palestinian ex-detainee children programme reaches hundreds of children. It works with formerly detained children, most of whom undergo individual and group counselling sessions in addition to vocational training and assessment programmes. The post-trauma rehabilitation programme, for instance, offers opportunities for children who are often trapped in a cycle of conflict. That work is critical in addressing post-traumatic stress syndrome which, it is reported, many of the ex-detainee children experience following their ordeal.

I support a point made by one of my hon. Friends in relation to the reports of Israeli soldiers using a child as a human shield and the lenient sentences recently dealt to those soldiers. I say to Israel that we need to see a firmer stance being taken by the Israeli courts in such cases. Evidence documented by B'Tselem has shown that cases of human rights abuses such as those that we have heard about today are not isolated. Israel has a responsibility to end the culture of impunity. I argue strongly not only that that is right legally and morally, but that it is in Israel's own best interests.

Of course, Palestinian human rights are violated not only by Israel. They are sometimes violated by the Palestinian Authority itself and by Hamas in Gaza. My hon. Friend the Member for Barrow and Furness (John Woodcock) referred to that in his intervention. Human Rights Watch said earlier this year:

> "The reports of torture by Palestinian security services keep rolling in. President Abbas and Prime Minister Fayyad are well aware of the situation. They need to reverse this rampant impunity and make sure that those responsible are prosecuted."

A recent example is the case of 42-year-old Ahmed Salhab from Hebron—not a child; an adult. Ahmed was detained by the Palestinian Authority in the west bank in September. Following his release in October, Human Rights Watch called for an investigation into his treatment when it learned that he had sustained serious spinal injuries and suffered mental distress during his detention.

The excellent Palestinian Independent Commission for Human Rights publishes regular monthly reports that demonstrate human rights abuses by the Palestinian Authority in the west bank and by Hamas in Gaza. It is vital that we are consistent, so we must condemn these abuses across the board. Today's focus, however, is on the human rights of children in the west bank. There are clearly broader human rights issues for which we must press all parties in the region take responsibility—examples are freedom of religion, freedom of speech and the media, and gender and sexuality issues—and of course there are many other countries where children's rights are violated.

The debate is timely: it is being held during human rights week, and 10 December is world human rights day. I hope that today's debate can contribute to increased public awareness and increase pressure on all parties to abide by international conventions and uphold human rights. In conclusion, I shall echo something that my hon. Friend the Member for Birmingham, Northfield said: the UK has a special responsibility in this case. I look forward to the Minister's response to this important debate. I strongly believe that a clear and consistent approach to human rights should always be at the centre of the UK's foreign policy. I hope that the Minister will take every opportunity to press both Israel and the Palestinian Authority to uphold human rights in the west bank. I hope in particular, following what we have heard today, that he will raise the concerns that exist on both sides of the House about the treatment of Palestinian children in detention.

12.14 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): It is a pleasure to welcome you to the Chair, Mr Gale. I echo the congratulations to the hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne) on initiating the debate. It is an object lesson in why MPs go to places—to see things at first hand and report back. A number of hon. Members mentioned that and I shall come to it later.

The human rights situation in the occupied Palestinian territories continues to cause concern and was high on the agenda of my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs during his recent visit to Israel and the occupied territories. I hope to explain in the course of my remarks what action we are taking to raise these issues with the Israeli Government.

Before I do so, I welcome the hon. Member for Liverpool, West Derby (Stephen Twigg) to the Opposition Front Bench. It is a pleasure to see him in that position. I think that we understand each other very well and understand where we are coming from on a matter about which there is a large measure of cross-party agreement. That will be particularly useful as we work through the next few months, which will be important for the middle east peace process.

The other hon. Members who made contributions deserve to be mentioned. The hon. Member for Birmingham, Northfield (Richard Burden) has a long-standing commitment to the region that we are discussing and spoke, as always, with both passion and knowledge. The hon. Member for Easington (Grahame M. Morris) made the case for an early visit by new Members of Parliament to areas of concern that have, alas, occupied the time of the House for all the years that I have been here. He spoke movingly of his own experiences. I do not necessarily support all the allegations with which he concluded his remarks, but plainly he will make a number of serious contributions on this issue in the future.

The hon. Member for Wansbeck (Ian Lavery) spoke with understandable emotion about what he had observed. He was right to raise the issues relating to human shields, which are unacceptable. It is as unacceptable for Israeli soldiers to use them as it is for members of Hamas to use them when they position their gun emplacements and their weapons against Israel in crowded civilian areas because they know exactly what the response of the world community will be if Israel seeks to take action against them. Both are wrong, and it is correct of the Israeli authorities to recognise that and make the determination that they do, although there has been widespread concern about the punishment meted out when these injustices were overturned.

My hon. Friend the Member for Aberconwy (Guto Bebb), who has not been able to stay for the conclusion of the debate, made a series of interventions that, while never condoning ill treatment, reminded us, as the hon. Member for Liverpool, West Derby also did, that this is

far from a straightforward situation. We would be naive not to recognise some of the pressures placed on children by those who seek to use them for ulterior motives. My hon. Friend was right to raise that. His remarks and those of other hon. Members emphasised again the sharp divisions on Israel and related issues in the House. The answer to that, as the hon. Member for Liverpool, West Derby made clear, is that we have to get a solution and we have to support the middle east peace process that is under way.

The only thing that will end what we have spent so much of our time discussing over the years is a settlement that is agreed on both sides. I believe that that would be very much according to the terms that the hon. Gentleman set out. It has to be a two-state solution—a secure and recognised Israel side by side with a viable Palestine; Jerusalem as a shared capital; and answers to the issues relating to refugees and resources. We are looking for that, and we urge all parties involved in negotiations to stay at it. Ultimately, it is only the removal of the sense of injustice, which lingers because there has not been a solution, that will deal with the root issues, many of which are at the heart of what we have debated today.

The hon. Gentleman, in his measured remarks, also raised issues on the Palestinian side in relation to human rights. For completeness, I should like to mention them as well. Hon. Members should be under no illusion: I shall devote the bulk of my remarks to the issues raised by the hon. Member for Ayr, Carrick and Cumnock and her report. However, for the sake of completeness, it is important to place these points on the record as well. The UK Government have very serious concerns about the human rights record of Hamas in Gaza. That includes arbitrary detention, repression of dissent, curtailment of free speech and the suppression of women's rights, as well as the ongoing threat to Israel's civilian population from indiscriminate rocket fire and the continued detention of Gilad Shalit without access to the Red Cross or contact with his family.

We continue to raise our concerns with the Palestinian Authority over allegations of the ill treatment of detainees by Palestinian security services. These rights are indivisible, and although, quite properly, we are spending the bulk of our time dealing with the matters raised by the hon. Lady, it is right to recognise that, as a Government and as a Parliament, our commitment to human rights is across the board.

Turning to the subject of the debate, it is important to set the issue of human rights in the west bank in context. As I mentioned, there is no doubt about the universality of human rights principles, but it important to recognise that Israel has real security concerns that need to be addressed. Following the second intifada of 2000, the number of terrorist attacks against civilian targets in Israel rose to unprecedented levels. Israel's response increased accordingly: many arrests were made, thousands were remanded in administrative detention, movement and access in the west bank were severely restricted and construction of the barrier began. Israel has a right to impose security restrictions to protect its population. There is an argument that the barrier, for example, might be a reasonable way of doing so. However, restricting access to schools and work does nothing to improve the security situation. The barrier should be constructed on the Israeli side of the green line, and should not confiscate Palestinian land. Some of these measures may have helped to improve the security situation.

It is important to acknowledge the role played by the Palestinian Authority, with help from the international community, including the British support team and its work with General Dayton, to improve the overall security situation. Reform of the Palestinian security sector has gone a long way towards halting the ability of armed groups to act from the west bank. We welcome Israel's corresponding improvements to movement and access in the west bank and the growth of the Palestinian economy, as seen by a successful investment conference a few months ago.

The number of Palestinians held in Israeli detention, including administrative detainees, has fallen, but all that contrasts with the human rights situation. More can be done to match the improved security situation, otherwise Israel risks undermining its own interests and increasingly drawing the attention of the spotlight of international concern. Perhaps this debate, at its simplest, suggests that Israel might protect itself differently in relation to children and to rather greater effect.

We continue to monitor the human rights situation in the west bank, including the issue of Palestinian prisoners in Israeli prisons. Where we have concerns, we raise them with the Israeli Government. We would encourage Israel to take those concerns seriously; too often we do not receive formal responses to our lobbying. When we do, the responses often fail to address our concerns in detail, pointing to the prevailing security situation—for example, demonstrations in the west bank that turn violent—and stressing that Israel strives to follow due process. We understand, but we still want answers.

On the specific issue of Palestinians in the Israeli court system, we have a number of concerns about the application of due process and the treatment of Palestinian detainees, in particular where Palestinian children are involved. Many of those concerns relate to the issues raised by the hon. Lady and Members who accompanied her on her recent visit. We are concerned about the widespread use of administrative detention which, according to international law, should be used only in the most exceptional security cases rather than as routine practice. Administrative detention should be used as a last-ditch preventive measure, not as a punitive measure and an alternative to due process.

We are concerned that Palestinian detainees are dealt with by the Israeli military court system, irrespective of the charges, whereas Israeli settlers who commit violence against Palestinians and their land are dealt with by Israel's civil justice system. Cases heard before the military court system are frequently based on secret evidence not made available to detainees and their lawyers. As we have heard, many convictions are based on confessions, either from the defendants themselves seeking a shorter sentence under plea bargaining or from the evidence of minors facing detention. Access to lawyers is often restricted, with many lawyers unable to meet their clients until they see them in the courtroom. All prisoners should have access to a fair trial.

Palestinians from the west bank are routinely detained in prisons inside Israel or on the Israeli side of the separation barrier, meaning limited, if any, access for family members. The policy of holding Palestinian detainees and prisoners in Israel contravenes the Geneva convention's ban on the forcible transfer and deportation of protected civilians from the occupied territory to the territory of an occupying power. Although the Geneva convention allows the evacuation of populations in circumstances

[Alistair Burt]

where the safety of the population is under immediate threat, or for imperative military considerations, the evacuation should, if possible, be to a different location in the occupied territory and be temporary until the danger subsides or the military operation ends. We call on Israel to hold court proceedings and use prison facilities for Palestinians in the occupied Palestinian territories and with reasonable access for lawyers and family members.

Those concerns apply to child detainees as much as they do to Palestinian adults. Under international law and Israeli civilian law, a child is recognised as anyone under the age of 18. Under Israeli military law however, it is under 16. The figures that we have show that since September 2000, over 2,500 children have been arrested. At least 256 Palestinian children are being held in Israeli prisons, including 34 children under the age of 16. As is the case with adult prisoners, child detainees are often transferred to prisons located within Israel, and Palestinian child administrative detainees are held with adult administrative detainees. In most cases, their families are not informed of their arrest. We welcomed Israel's announcement of a new juvenile court within its military judicial system. It is important that Israel has acknowledged that child detainees need to be treated differently from adults, and perhaps the consistent and persistent work of NGOs and parliamentarians is having some impact. We believe that it is even more important that that announcement now translates into changes on the ground in the treatment of minors.

We are aware of the recent reports by the Palestinian section of Defence for Children International documenting alleged abuse of Palestinian children by Israeli security forces. The Israeli human rights NGO, B'Tselem, has just produced a report detailing its investigations into the arrests of at least 81 minors in the Silwan area of occupied East Jerusalem over the past year. The Government pay tribute to those NGOs with whom we work in close co-operation on many issues. B'Tselem's concerns include arresting children at night from their home; preventing parents from being present at interrogations; allegations of violent treatment; and the detention of four minors under the age of 12 — many of the issues raised by hon. Members this morning. We are urgently investigating and will take whatever action we judge to be appropriate.

I am sure hon. Members will be pleased to hear that the middle east and north Africa conflict prevention pool has recently approved funding of £12,500 for a project run by Defence for Children International. That project aims to defend, promote and protect the rights of Palestinian children to reduce the number directly and indirectly affected by the conflict through focused themed advocacy initiatives, in accordance with the convention on the rights of the child.

Over the years, the House has resolutely defended Israel, and Israel's right to security, and sought to understand the pressures on it. I began by putting that in context in relation to the issues raised today. That support will continue from this Government and, I have no doubt, from the hon. Member for Liverpool, West Derby and his colleagues. However, Israel needs to recognise, rather more often than it does, that criticism of its activities from friends—like the hon. Gentleman, I count myself as a long-standing friend of Israel—based on observation and evidence is designed to assist Israel with security and world opinion, which has slipped alarmingly over the years.

Sandra Osborne: Before the Minister concludes, will he undertake to raise these matters personally with the Israeli Prime Minister? Will the Minister take the time to visit the juvenile military court to see for himself the injustice of the situation?

Alistair Burt: I will come on to both those points at the end of my remarks, if I may. The hon. Lady is right to raise them.

We are neither naive nor blind to the tactics of those who would cause Israel harm, but not all questioning of Israel comes from ill-intentioned motives. The treatment of children within the power of a state, whatever provocations there may have been, is an objective issue on which judgments can be made and upon which international signatures are given. I believe that the Government, in being a friend of Israel, a friend of Palestine, a friend of the middle east, and a friend of justice is doing so by asking Israel to examine its practices further and make the same progress as is evident in other parts of its activity on the west bank.

I will fully consider the specific recommendations that the hon. Lady mentioned and which her all-party group made. We are urging the Israeli authorities to respond to the matters raised, and after my visit, which I hope will take place early next year, and once I have considered all the responses and recommendations, I will write to the hon. Lady, those who took part in the visit and those who have spoken in the debate.

Rail Services (Erewash)

12.30 pm

Jessica Lee (Erewash) (Con): It is a pleasure to serve under your leadership and chairmanship, Mr Gale. I am grateful for this opportunity to raise in Parliament the important issue of train station provision and rail travel in my constituency. The debate will focus particularly on the need to reopen a train station in the Ilkeston area. There is a proud history in Erewash of working on the railways. For generations, many engineers, construction workers and drivers have serviced the rail lines in the Derbyshire and Nottinghamshire area. Indeed, my late grandfather, who lived nearby in Nottingham, spent his entire working life as an engineer and fitter on the steam trains. In his later years, he was one of the few remaining experts on steam trains, and was able to offer advice on them well into his 90s.

There is a well-utilised train station service in Erewash. The station at Long Eaton provides regular local and national train services; indeed, the fast train to London now takes only one and a half hours. However, Long Eaton station is right in the south of the constituency, and there is a gap in provision in the north. Ilkeston is one of the largest towns in the UK without a train station. There used to be three stations in Ilkeston, but there has been no provision since Ilkeston Junction station closed in January 1967 as a result of the Dr Beeching report. The stations in Erewash were part of the Erewash valley line running from Trent junction up to Clay Cross and Chesterfield.

Any new station would in all likelihood have to attract the support of a train company running services north to Sheffield, which would also stop at Ilkeston. At the appropriate time, I will gladly make any necessary representations to train companies to highlight the benefits of stopping at Ilkeston. There is a gap in the provision of local services, and I seek progress from all the relevant authorities in making this much-needed service a reality.

Although I have been a supporter of this cause for the past three years, a campaign to reopen a train station in Ilkeston was up and running long before I was elected as the area's MP earlier this year. Indeed, local residents need to take credit for their persistence over the years. There is a hugely popular Facebook campaign, which lists many supporters. This year, the local newspaper, the *Ilkeston Advertiser*, also launched an excellent campaign backing the reopening of the train station, and supporters can write to the paper to express their support.

Although additional train services would in themselves assist in Erewash, the benefits to Ilkeston of a reopened train station go well beyond rail provision. Ilkeston town centre and market need as much support as possible to bring in shoppers and visitors. We have suffered the loss of a number of shops in the town in recent years, and the ability to draw people back to the area would be a real help.

From a social and economic point of view, the recent recession has had a disproportionate effect on Erewash. Residents experience relative geographical isolation from work opportunities, and that is compounded by significantly lower car ownership levels than elsewhere. Bus services are also a little limited. The decline in the manufacturing sector over the past 10 years and factory closures are also part of the background.

A recent report produced by Experian and commissioned by the BBC provides further evidence to demonstrate that Erewash is perhaps more vulnerable than other areas to economic pressures. Out of the 324 boroughs considered, Erewash was down at No. 251, although such statistics are a reflection not on the spirit and enthusiasm of the people of Erewash, but on the history of the local economy and, therefore, its ability to withstand an economic downturn.

I turn now to the unemployment figures for September 2010. Erewash borough has the highest rates of unemployment of the districts in Derbyshire. We need support and investment in our area. A train station would be just one element in bringing about that investment, but it would be a successful element and one from which the whole community would benefit.

Mr Mark Spencer (Sherwood) (Con): I hope that my hon. Friend recognises, as I do, that a train station linking Ilkeston to Nottingham would not only relieve the congestion on the A610, but bring employment opportunities, allowing people from former coalfields in Erewash – there are similar areas in my constituency – to access employment in the city of Nottingham.

Jessica Lee: My hon. Friend makes a good point, and I agree. The possibility of enjoying the benefits of employment and the ability to travel to work would be much improved. As my hon. Friend suggested, that would revitalise the whole of the east midlands up to Sherwood.

Any proposal for a train station would be backed by the local business community in Erewash. Our excellent local business group, the Erewash Partnership, certainly supports the campaign. I had better declare now that the local MP is always asked to sit on the partnership's board, and it is a real privilege and honour to do that. The partnership would assist wherever needed to help the plan come to fruition.

Turning to the approach taken by the coalition Government, I have been encouraged by the observations made by my right hon. Friend the Chancellor in his Budget speech in June, and by the Secretary of State for Transport, on the importance of rail travel. In his recent statement of 25 November, the Secretary of State set out the Government's plans for investment in rail infrastructure and rolling stock.

I have undertaken meetings in recent weeks and months with the borough councils and the county council in Derbyshire. I have written to the leader of Derbyshire county council, and I am encouraged by the reply that I have received. That letter, from Councillor Andrew Lewer, dated 25 November, confirms that the station proposal, the estimated cost of which is £5 million to £6 million, is one of the major transport infrastructure proposals in the local transport plan, and that it is deliverable within the time scale of the current Parliament. Further, he accepts that the plan offers good value for money.

I am further encouraged by the fact that, following my letter, the leader of the council accepts that serious discussions will take place next year and, importantly, that a bid for funding from the regional growth fund will be made in January 2011. Of course, I support that bid, which will be made through the newly formed local enterprise partnership. That is good news, and I am grateful that the county council is making the application in the short period before the January deadline.

[Jessica Lee]

Having addressed the social and economic case for a station in Ilkeston and put it in its historical setting, I hope that my right hon. Friend the Minister will agree that there is a powerful case for a station to be reopened in Erewash, particularly in the Ilkeston area. I will do all I can to support any proposals to make this project a reality.

Nigel Mills (Amber Valley) (Con): I congratulate my neighbour and hon. Friend on securing the debate, and I praise her long-standing commitment to this cause. As she knows, some of her constituents are likely to use Langley Mill station in my constituency. Will she join me in calling on East Midlands Trains to sort out access to the platforms there at long last? Southbound passengers arriving at Langley Mill have to go down a steep and slippery flight of steps. There is also no disabled access, and the only option for disabled people is to get a train into Nottingham and back out again so that they can use the other platform. There have been many promises over the years that the situation will be sorted out. Most recently, we were promised some sort of chairlift, and it would help rail passengers in both our constituencies if progress could be made on that.

Jessica Lee: I am grateful to my hon. Friend, who makes a good point. Of course, there must be suitable disabled access at Langley Mill. I would similarly campaign for such access at any new station at Ilkeston, although I am sure that there would be appropriate access for those who are less able. With those remarks, I will conclude.

12.39 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is always a pleasure to serve under your chairmanship, Mr Gale. I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on securing the debate. She is clearly an able advocate for her constituents. She set out with great clarity the benefits that a new station at Ilkeston or in the Ilkeston area could bring them. She has made an attractive case for taking the project forward.

I welcome the opportunity to set out the Government's view of the proposal. As we have heard from my hon. Friend this afternoon, the provision of a new station has the full support of Derbyshire county council; I understand that Nottinghamshire is also very supportive. My hon. Friend also outlined strong support in the local area, among the population and the business community. That is pivotal; the benefits of the proposed new station would accrue almost exclusively to a localised area. In such cases, the Government look for strong local support if progress is to be made. It is for local authorities rather than Whitehall to determine whether a new station is the best way to meet the transport needs of the community.

I am encouraged to learn that Derbyshire county council has taken a very active role in taking this scheme forward, alongside my hon. Friend. The county council has engaged well with Network Rail and with Northern Rail, the local train operator. My understanding is that in 2009 Derbyshire commissioned a feasibility study, building on work on the proposal that was carried out in 1999 and 2000. That study concluded that a new station would be deliverable in practical terms and indicated that the project had the potential to yield good value for money. The study indicated that income from generated travel—passengers using the station who previously would not have travelled by train—could more than cover the on-going costs of running the station.

The study is significant. The pressing need to address the deficit that we inherited from our Labour predecessors means that we have to take more care than ever to safeguard taxpayers' money and keep spending under control. It is therefore very difficult for local rail schemes to get the green light if it is expected that they will require an additional ongoing subsidy from the taxpayer. While the studies that have been carried out do not provide us yet with a definitive answer on value for money or commercial viability, they give us some credible evidence that calls at a new station could be deliverable without an additional subsidy.

Assuming that that issue is potentially resolvable, there are three further questions that it would be useful for us to consider this afternoon. First, how could the capital costs of building a new station be funded? Secondly, is it possible to accommodate calls at the new station within existing schedules? Thirdly, will the existing and future franchisee be prepared to call at a new station?

As to the first question, it is for Derbyshire county council as the promoter of the new station to identify funding for the capital costs of building it. It would be open to the county council to prioritise the project for support from the integrated transport block. However the crisis in the public finances means that all councils face difficult choices on how they use limited capital budgets. ITB budget cuts certainly make it more difficult for that funding stream to provide the answer in this case. However, the Government have announced two new sources of money, which could be relevant to the project, and which are well worth considering.

As my hon. Friend has mentioned, one of those sources is the regional growth fund, which is expected to be worth £1.4 billion over three years and is now open for its first round of bids. I am pleased to hear that Derbyshire has been quick off the mark, and expects to be able to put in a bid soon. The fund is designed to stimulate enterprise, encourage growth and create jobs in the private sector. It can be used for investment in transport, because tackling congestion and improving connections between cities and towns to link people to job opportunities can maximise agglomeration benefits; those can be two of the best ways to boost economic growth. I was interested to hear what my hon. Friend had to say about the difficult economic climate for her constituents. No doubt those factors will be relevant in the consideration of the bid for funding from the regional growth fund. I also take on the points made by my hon. Friends the Members for Sherwood (Mr Spencer) and for Erewash about the economic benefit that a new station could generate in the local area.

If an RGF bid is to have a realistic chance of success, the supporters of the scheme, such as the county council, are important. My hon. Friend has worked with private sector partners in the business community; I am delighted to hear that that is what is happening. It is good to hear of support from the Erewash Partnership and others in

the business community there. I understand that a local enterprise partnership is being set up in Derbyshire and Nottinghamshire. No doubt its involvement in the project will be very useful in helping to identify private sector support and, potentially, contributions.

A second potential source of support for such a project is the local sustainable transport fund. The coalition has established that fund to deliver local transport projects that stimulate growth and reduce carbon emissions. We expect the fund to contain £530 million over the CSR period—so it is a substantial amount of money—and we will provide more details shortly on how it will operate and how local authorities may be able to bid for and get access to the funding. That funding stream may be relevant and worth considering in this case. Thus there are various options, which the county council and the others who support the scheme may want to explore. I emphasise that my officials are happy to discuss those possibilities further with the county council and the promoters of the scheme.

I now move on to my second question—whether a stop at Ilkeston can practically be accommodated within the existing service pattern. Two regular passenger services pass through the proposed site: the Liverpool-Norwich service run by East Midlands Trains and the Leeds-Nottingham service run by Northern Rail. Following early discussions with the train operators, I understand that the county council concluded that stopping the Leeds-Nottingham service would be the more feasible of the alternatives, although that would not necessarily preclude other services from calling in the future, if it proved to be commercially viable.

The good news is that Network Rail is funded to re-signal the Erewash Valley line and the western approaches to Nottingham station. The work is due to finish by 2013. I am advised that that upgrade could potentially create the additional time in the schedule needed to enable services to call at a new station at Ilkeston. However, services would have to be fairly tightly timed, and that would put some additional pressure on the timetable. It is important to consider the effect of that pressure on reliability and the overall impact of a new station on longer distance passengers. The market for travel between Nottingham, Sheffield and Leeds is growing. There is strong support among local authorities for journey time reductions between Leeds and Nottingham. Making a call at an additional station would run counter to that ambition. Journey times would be about three minutes slower than otherwise.

In essence, as is so often the case with the configuring of rail services, there is a balance to be struck between the local interests of my hon. Friend's constituents and those of my hon. Friend the Member for Sherwood, and the economic benefits that could accrue across a wider area with shorter long-distance journey times. Careful thought would need to go into getting that balance right. However, the evidence that I have seen does not lead me to conclude that the issue would give rise to an insurmountable barrier to the project going ahead: so that is not a show-stopper either.

Mr Spencer: It is worth putting on record our thanks to the Minister's Department for the amount of money that is being spent not only in Nottinghamshire and Derbyshire but in the whole of the east midlands. That will, I hope, push forward the east midlands, generate more jobs and drive us out of the disastrous economic position that the Government found when they came to power. Does my hon. Friend recognise how important it is to make transport links—not just new train stations like the one that is wanted at Ilkeston but links to cycle routes and other public transport hubs—so that people can get from their place of residence to their employment, to generate their own income and drive the economy forward?

Mrs Villiers: I am grateful to my hon. Friend. A striking aspect of the comprehensive spending review was the Chancellor's commitment to continued investment in our transport infrastructure. Past spending squeezes often meant that the axe was taken to a whole range of transport upgrade projects. We have decided not to do that, because those projects can play an important role in generating the growth we need to get out of the economic mess left by the previous Government. Integrating different modes of transport can, of course, yield important benefits for passengers and, similarly, valuable economic benefits, if people have better access to different modes of transport and we try to co-ordinate them.

Nigel Mills: I concur with the Minister's assessment. The Liverpool-to-Norwich train was taken off from stopping at Langley Mill, and was effectively replaced by the Leeds-to-Nottingham service, which stops twice in my constituency, at Alfreton and Langley Mill. That service has proved very popular, according to the number of people I have seen on that train when I have used it.

I would strongly oppose any timetable changes that removed that service from stopping at either of those two stations in my constituency. This proposal should be an incremental addition to that service, not a replacement. There have been rumours of a threat to Langley Mill station if Ilkeston were reopened. I would urge the Minister not to go down that route.

Mrs Villiers: I am not aware of any intended subtractions of services. As my hon. Friend says, we are discussing today whether it is realistic and practical to add a service and a station at Ilkeston, but he makes a good point.

The third of the questions that I posed at the start of my speech was whether commercial incentives alone would motivate train operators to call at a new station at Ilkeston. That is another important issue that we need to address. Before going ahead, the Department would expect the county council to confirm with Northern Rail whether it would be prepared to stop at a new station. However, its franchise is coming to an end relatively shortly, and it is not easy to predict what approach a future franchisee might take. Although the studies undertaken for the county council indicate that revenue from the station calls would outweigh the costs of its operation, train operators might take a different view of the impact of journey-time changes on longer distance passenger numbers, and hence on ticket revenues.

The Department for Transport is certainly prepared to consider whether it would be justifiable and appropriate to include obligations in relation to the new station in the future franchise contract. As the House will be aware, the Government have been assessing how to reform the franchising process, and we made a further announcement on that today. We want to see a move

[Mrs Villiers]

away from the specification of highly detailed inputs that leave little flexibility for train operators to innovate and respond to the changing needs of passengers. That said, franchise contracts under the new system will continue to contain obligations on service levels. We could consider whether that should include obligations in relation to a new station at Ilkeston.

The issues raised by the third question that I posed look as if they also could be resolvable. However, I would emphasise the word "resolvable", not "resolved". It is important to ensure that the commercial case for the station is rigorously assessed, so that the Department, the county council and train operators can be as confident as we can that the new services would be commercially viable. That is pivotal. Without that confidence, it is difficult to see how the project can get off the ground.

I am grateful to my hon. Friend the Member for Erewash for the opportunity to give an indication of the Government's approach. In conclusion, it is clear that the coalition will face difficult decisions if we are to address the crisis in the public finances that we have inherited and get our economy back on track.

Jessica Lee: I am very encouraged by the Minister's response, in particular the view that, although there are hurdles and complexities to this project, all have the potential to be resolved. That encouragement will be received well in Erewash.

Mrs Villiers: I am grateful. In these difficult times, there will be issues to resolve about whether funding can be secured, but this is a worthwhile project, and I and my officials at the Department of Transport are happy to continue to work with my hon. Friend and Derbyshire council to see if there is a way forward. The crisis in the public finances puts significant constraints on the funding available but, as I said earlier, the Chancellor has clearly accepted that transport infrastructure projects can often yield high value for money for taxpayers. They can provide economic benefits many times their cost. That is why rail has emerged from the spending review in a far stronger position than most people expected, albeit with some necessary tough decisions on fares. We have broken the recurrent pattern of spending squeezes of years past, which was to take the axe to a wide range of capital infrastructure projects, with rail and roads often the first to suffer.

While proposals for a new station at Ilkeston need to be taken forward locally—rather than through the national rail budget—a number of funding streams might be a source of support, as we have been able to consider this afternoon. Along with my hon. Friends the Members for Erewash and for Sherwood, and others who have taken part today, I feel that this is a worthwhile project. My officials at the Department for Transport remain happy to work with the county council to see if a way can be found to take it forward. I would like to thank my hon. Friend the Member for Erewash for giving the House the opportunity to consider this important issue for her constituents and others in the area.

12.56 pm

Sitting suspended.

Social Housing (Nottingham)

1 pm

Lilian Greenwood (Nottingham South) (Lab): I am grateful for the opportunity to have this debate. I want to speak on behalf of the Meadows community in my constituency, and to explain to the Minister the real dismay that many local people feel about the news that the housing private finance initiative scheme to transform their neighbourhood will not now go ahead.

The Meadows has enormous potential. It lies just south of the city centre and is close to the railway station, which is undergoing a major redevelopment as part of the Nottingham hub. Two new tramlines that have just been given the green light will pass through the Meadows. The area is bordered by main roads linking it to the city's ring road and key routes in and out of the city, so it has excellent transport links.

The Meadows sits on a bend in the River Trent. The Victoria embankment is a beautiful green space alongside the river, with an avenue of mature trees, the city's war memorial, formal gardens, bandstands, sports pitches and a children's play area. The Meadows has three excellent primary schools, a well-used library and a wealth of active community organisations, including the Arkwright Meadows community gardens, three tenants and residents groups, and the Meadows Partnership Trust, which provides advice and support on a wide range of issues, including training and employment opportunities.

The Meadows also suffers from serious deprivation, a poor reputation, crime and the fear of crime, and high unemployment. That is not to talk the area down—as I said, the Meadows has much to be proud of—but serious problems need to be tackled. According to the Office for National Statistics, all four of the super output areas that cover the New Meadows area are in the 20% most deprived nationally, and two are in the 10% most deprived. There are particularly high levels of deprivation in relation to crime, with higher than average levels of drug-related crime, and in relation to health, with just over a fifth of the population facing limiting long-term illness or disability, and with high levels of chronic heart disease. Many residents have no qualifications and low skills, and therefore have a reduced readiness for paid work and higher than average unemployment.

The Meadows is home to a diverse population of around 9,000 people living in 4,500 households. Housing in the Old Meadows is predominantly Victorian or Edwardian terraces. Although primarily owner-occupied, there are many privately-rented properties, including houses in multiple occupation, and considerable levels of disrepair.

The New Meadows has predominantly social housing, with most of the properties built in a Radburn-style layout, following slum clearance in the 1970s. That layout causes particular problems. Gardens back onto public spaces, making them vulnerable to burglary; there are many enclosed spaces, such as alleyways and tunnels, that feel unsafe; and the separation of pedestrians and car users makes it difficult for people to find their way around. Particularly unsuitable and unpopular are the Q blocks—two and three-bedroom family-sized properties accessed via stairwells and walkways. They are vulnerable to antisocial behaviour, which leaves

residents worried about crime and personal security. They certainly are not places where one would choose to bring up one's family.

There is an over-supply of flats and maisonettes. Many of the sheltered schemes are unsuitable, as they have small, first-floor flats with narrow staircases that mean that it is impossible to make them accessible. Overall, there is a need for significant investment to bring these homes up to decent standards and to ensure that they are secure, warm and modern.

More than three years ago, the city council's regeneration team began working with local people and community groups to devise a neighbourhood plan to identify the problems facing the Meadows and come up with a shared vision of what was needed. More than 30 community events took place, and about 500 people participated in the process, including children, young people and local businesses. The neighbourhood plan provided a framework to make the Meadows a more sustainable community, with better access, greater housing choice and improved community assets; it would be more of a low-carbon neighbourhood, with less worklessness, lower crime, and reduced antisocial behaviour.

The housing PFI proposals were a vital part of the shared vision that emerged, and 90% of residents supported the remodelling proposals. As a result, the Labour Government gave the proposals a PFI credit of up to £200 million, subject to a satisfactory outline business case. The PFI housing contract would have transformed the area by demolishing unsuitable and unpopular properties; building new council homes—predominantly two to five-bedroom houses—to meet existing and future need; building 100 ExtraCare properties for elderly tenants; remodelling many properties to improve the layout and living environment; turning properties around to face the street; converting some flats to houses; removing enclosed spaces and alleyways; and improving and refurbishing existing council homes to meet modern standards.

A complementary development agreement for non-PFI housing would have delivered new homes for outright sale, and new homes for shared ownership that would have provided a foothold on the property ladder for people with limited financial means. Alongside those plans to improve the housing stock, the city council was securing a separate development agreement to create a new district centre to provide new commercial, retail and community facilities. That would have supported the area's needs, and increased the attractiveness of the Meadows to potential residents and developers.

Together, those changes would have transformed the estate. Better housing would have meant that families would choose to live and work in the Meadows and be able to move to a larger or smaller home, with a choice of renting or buying as their needs and circumstances changed. That would have helped to create a more sustainable and balanced community, and residents would have had a real long-term interest in its future. The ExtraCare scheme would have offered high-quality sheltered accommodation for elderly people, with homes for life for local residents. It would have contributed to reducing health inequalities, and it would have created new employment in the area, including positions for carers.

The improved layout of the estate, with "Secured by Design" housing, would have made the Meadows more welcoming for visitors and residents, made the area feel safer and reduced the opportunities for crime and antisocial behaviour. It would have encouraged more people from across the city to visit the Victoria embankment and the green-flag Queen's Walk park for leisure activities, further enhancing the Meadows' reputation.

The new housing would have been designed and built to high environmental standards, helping the area to move nearer its aim of becoming a low-carbon community, using alternative energy sources and tackling fuel poverty. Of course, many new training and job opportunities would have been created in the heart of the community, particularly in construction and retail.

The Government's decision to remove funding for the Meadows PFI project means that a unique opportunity to transform the area will have been lost. That short-sighted decision will place a heavy burden on other publicly funded bodies, which will have to pay the price of poor educational attainment, high unemployment, benefit dependency, crime, antisocial behaviour, poor housing and fuel poverty.

Unfortunately, things will not just stand still; they could get worse. The 1,300 social homes that would have been refurbished under the PFI scheme now need funding from the already overstretched decent homes budget. An extra £10 million will be required to bring those properties up to standard. It is no wonder that Meadows residents are dismayed. While people in other parts of the city were getting their new doors and windows, boilers and insulation, kitchens and bathrooms, Meadows residents waited patiently for the opportunity to have something even better. They now know that even a secure, warm home may be out of reach.

What other options are open to residents of the Meadows to tackle these problems? The so-called big society offers no answers. The Meadows already has a thriving network of volunteers and community activists, but every voluntary sector group knows that its funding is under threat from the budget cuts.

The local neighbourhood policing team is working hard to tackle crime and antisocial behaviour, and crime in the city has reduced significantly in recent years. However, funding cuts of 20% over the next four years will make it extremely hard to maintain that trend, and the potential reduction in the visible police presence in the area will leave residents feeling more fearful of crime. Meanwhile, Nottingham city council faces cuts of 28% over the same period, so its ability to explore alternatives, let alone provide the necessary financial support, will be severely restricted.

The Government claim that we are all in this together, but I cannot imagine Mrs Cameron or Mrs Clegg struggling with a buggy up three flights of stairs and along a walkway to get home with their shopping bags. I do not suppose that they have to worry about walking down dark alleyways and through tunnels on their way home at night. I do not imagine that they have to worry that their windows do not fit properly, that their flat is cold and damp and that their kitchen is falling to pieces. I ask the Minister to think again. This opportunity to transform the Meadows through a 25-year investment is good value for money; not only is it socially just, but it makes real economic sense. We are talking about not just numbers on a balance sheet but people's homes and life chances; such things are too important to throw away.

[Lilian Greenwood]

If the Minister will not review the decision, will he tell us how we can ensure that every home is brought up to a decent standard when the decent homes budget is being cut nationally by £900 million? How can we make the Meadows safer when police numbers are being cut and we are in danger of losing our local police station? How is it fair that an area such as the Meadows faces deeper cuts than much less deprived council areas that never received additional budgets through area-based grants? Furthermore, how can this Government, which claim to be the greenest ever, support the Meadows in becoming a low-carbon community, free from fuel poverty, when we are burdened with cold, damp and hard-to-insulate properties?

If the Minister tells me that there is no money left, I will tell him what people in the Meadows always ask me. They say, "How can there be no money when the banks that we own are still paying out massive bonuses?" If it is true that there is no money, how can it be that there is funding for new free schools, and that £2 billion is found for a reorganisation of the health service that nobody voted for? Rather than undertaking a survey that costs millions of pounds about how happy people feel, why do the Government not do something practical to make lives better?

If the Minister is not convinced by what he has heard this afternoon and will not rethink this cruel cut, I urge him to meet me, the regeneration team and all the local people who worked so hard to devise the neighbourhood plan to help us find new ways in which to meet the hopes and aspirations of an area that deserves so much better.

1.12 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): As ever, it is a pleasure to see you in the chair, Mr Gale. I am grateful to the hon. Member for Nottingham South (Lilian Greenwood) for raising these matters and I congratulate her on securing the debate. She raises a number of understandable concerns, which reflect, I suspect, the inevitable difficulties that result from our predecessors breaking the bank. Unfortunately, the consequence is that the current Government have to pick up the tab, and that involves some very tough decisions; I do not pretend otherwise.

I take on board the specific points that the hon. Lady has made in relation to particular concerns of her constituents and the situation in Nottingham. I know from personal experience in my constituency of Bromley and Chislehurst of the importance of a well-funded and well-managed social housing sector. I understand why the hon. Lady is disappointed that funding for the Meadows estate private finance initiative scheme will not now be available; I do not complain at all that she has raised it as a concern. However, I make no apology for repeating what Ministers have consistently said to the House. Since coming to office, our most urgent priority has been to tackle this country's record deficit. Our clear message is that we need to restore confidence in our economy and support the recovery. Failure to do so will prejudice investment in housing of all kinds in the longer term.

We are living in difficult times and we need to take difficult decisions about how we reduce our national debt; I am afraid that that cannot be shrugged off. We need to be honest with people about the hard choices that we face. We must live within our means and deliver value for money for the taxpayer in all our investments. Simply put, my Department does not have the resources available to fund every private finance initiative scheme. It was quite clear when the previous Government were in office that there would have to be considerable cuts; the previous Chancellor indicated that there would have to be cuts. Cuts in regeneration funding worth some £300 million were announced before the general election. There was no guarantee that any scheme would continue whichever party came to power.

Given that we were not able to support every PFI scheme, my right hon. Friend the Minister for Housing and Local Government and fellow Ministers concluded that our priority had to be to support projects that were in procurement. Those projects were more advanced; some had got to the contractual stage and others had undergone considerable preparation work. That means that we cannot support projects which, although undoubtedly worthwhile, are only in the pipeline and have not progressed to the procurement phase. Such projects include the Meadows in Nottingham. Councils, including Nottingham, were notified that funding would not be available on 22 November.

None the less, it would not be right to assume that that means there is no commitment on the part of the Government to fund housing, including social housing, and improvements in housing. That may not help in the hon. Lady's case, but it is important to set this decision in a broader context. Over the same period of the spending round, my Department will make available £721 million for PFI projects that were in contract. We are making available a further £372 million for other projects that were more advanced in the procurement stage. Therefore, it is the procurement and the contract that have the priority. That demonstrates very clearly that we are by no means washing our hands of this issue. We have a clear commitment to continue funding social housing and decent homes, but when the money runs out and one inherits an empty set of coffers, a line has to be drawn somewhere. As well as funding housing PFI, we will assist fire PFIs if they are in contract and procurement as well.

I know that that is a disappointment for Nottingham. It is a thriving city—I have visited it in the past, but not since the general election—but like any city, it faces challenges. However, I am confident that Nottingham and its social housing sector can weather the current financial storm and build a sustainable and prosperous future. Let me highlight a good example of an organisation in the city that has turned its fortunes around. Nottingham City Homes is the arm's length management organisation that manages the council housing stock on behalf of the city council. A couple of years ago, it faced some real challenges, but it is now delivering a successful decent homes investment programme. That large capital programme has already invested £74 million to upgrade the housing stock in the city, which is helping to make homes safer, more secure and more fuel efficient. The sadness is that our economic inheritance constrains our ability to help everyone in the same way.

Lilian Greenwood: Recognising that Nottingham City Homes works incredibly hard to achieve its two-star rating, and so has been able to access central Government funding for decent homes money, is it fair that it should now be told that it has to rebid for that money and that it may not get the full funding that is required to bring all Nottingham homes up to standard? How can that be reasonable and fair, and how can Nottingham City Homes respond to that when it will be short by a significant measure of the funds that it needs to carry on with work that it has already set in train?

Robert Neill: Because fairness requires that we have to recognise that we must cut our cloth according to the cloth that is now available to us. Unfortunately, because of the economic policies that were pursued previously, there is less money available, so we must say to organisations, including good organisations—and Nottingham City Homes is not unique in that regard—that they have to rebid. That is at least keeping a door open, given the limited pot that we have available.

In relation to PFI projects that we cannot fund, such as the Meadows, it is worth saying that the Homes and Communities Agency is in discussion with all the authorities in that situation to see if there are some parts of those projects—not the whole, but some parts—that it might be possible to advance through some other means. I cannot hold out promises; I would not seek to do so. However, those discussions are taking place and I am sure that the hon. Lady and her city council will be in touch with the HCA swiftly about that matter, if they are not already in touch with it; I suspect that they already are.

Work is therefore being done and there is investment going in. The ALMO in Nottingham—Nottingham City Homes—is engaged with wider agendas, to which the hon. Lady fairly referred, such as community empowerment and tenant engagement. It is also working with partners to tackle joblessness and welfare dependency. We are committed, too, to continuing funding for the decent homes programme. The coalition Government are committed to reducing the £3.2 billion capital investment backlog in council housing that we inherited from the previous Administration. This year alone, we are investing about £1 billion in decent homes funding to improve the social housing stock, despite the difficult financial envelope that we have to live with. I think that, again, that clearly demonstrates our continued commitment to invest in communities and support neighbourhoods, including those inhabited by some of the most vulnerable people.

In the spending round, we fought hard to secure a good settlement for the decent homes programme. At the time, there were people who said that the Government might abandon the programme altogether, but that has proved not to be the case, thanks to the work of my right hon. Friend the Minister for Housing and Local Government, and his colleagues. In fact, we have secured more than £2 billion of capital funding during the next four years, which is sufficient to halve the remaining capital investment backlog. That means that about £1.6 billion will be available for local authority housing, which could deliver more than 150,000 refurbished council homes by 2014-15.

Furthermore, we have not stood still on the allocation of future decent homes funding. On 11 November, together with the HCA, we published proposals for allocating funding, on which local authorities will be consulted. In future, decent homes funding will be available for all local authorities, including Nottingham city council, that have a significant investment backlog. We expect bids for funding shortly from such authorities, and I am sure that Nottingham city council will be among them. We are also moving to tackle some issues underlying the way in which our council housing finance system is organised, because it has been recognised for too long that it is unduly complex and overcomplicated. We are therefore using the localism Bill, which we hope to introduce in the House very shortly—I think that that is the appropriate phrase—as a vehicle to provide much-needed reform of social and council housing finance.

Under the proposed arrangements, which I hope will gain broad cross-party support, councils would keep their rental incomes under a much fairer and decentralised system. That is relevant to Nottingham, as the reforms will provide new opportunities and incentives for all councils to plan for the longer term, and to put in place effective asset management strategies. Nottingham, like many of our substantial cities, has considerable assets that fall within that category.

We have also indicated that we intend to press ahead with tenure reform. On 22 November, we published a paper that set out our intention to reform the way in which social housing is used, because we have to look at getting the best use out of the existing social housing stock. I think that the case for reform in that sector is strong and it is one that I have heard articulated by Members from all parts of the House, because it is an issue that is often raised in their constituency surgeries. It is not right that some people—I am sure that there are some in Nottingham—spend years on housing lists but never seem to get anywhere near an allocation. Ensuring that there is enough housing for those in real need is an important part of the housing mix too.

We also want to look at creating more flexible tenancies, which has been referred to by my right hon. Friend the Minister for Housing and Local Government. We are looking at flexible tenancies for a minimum of two years, but I emphasise that we will protect existing tenants, such as those on the Meadows estate; they will not see their situation change. This issue is about tenancies for the future, which may be appropriate for some of the new build that I hope in due course it will be possible to bring forward.

Finally, it is worth remembering that the new homes bonus will apply to social housing as much as to private housing. That bonus is a powerful, simple, transparent and permanent incentive for local authorities and communities to increase their aspirations for housing growth. At the moment, there is not much of an incentive for local authorities to welcome the creation of new homes. Beginning in April 2011, the new homes bonus will match-fund the additional council tax raised for new homes and properties that are brought back into use with an additional amount for affordable housing, so there is positive additional support for social affordable housing for the following six years. My Department has set aside nearly £1 billion during the comprehensive spending review period for that scheme, including nearly £200 million in the first year. We have made it clear that funding beyond those levels will be continued via the

[Robert Neill]

formula grant. That should mean that, by the sixth year of the scheme, about £1.2 billion will be made available as an incentive for councils that wish to build homes.

Against that background, despite the disappointment that I am sure the hon. Lady and her constituents feel, along with others who are in a similar position, I think that it is fair to say that the coalition Government have demonstrated a commitment to social housing. We want to see a flourishing social housing sector; we want to encourage talent working in that sector, and we want to encourage tenants and occupiers of social housing to become much more proactively involved in the management and improvement of their estates and homes. That is why we are decentralising power directly to local authorities such as Nottingham, so that they can decide how best to deliver their services. As I have said, against that background I am sure that councils such as Nottingham, which had PFI schemes in the pipeline, are already considering other options about how to deliver the outcomes that the PFI funding would have supported. As I have also said, the HCA will liaise with them and advise them on that issue.

We are determined to ensure that social housing continues to be relevant and available in a changing world. The underpinning rationale of the Government's approach is clear and consistent: future investment is very tightly focused; it must deliver value for money; and we seek to provide access and provision to those in greatest need. Of course, we must do all of that in the context of our economic inheritance.

Although I accept that the hon. Lady will not be happy about the outcome in the case of her constituency, I have been honest with her about the position, and the Government's overall commitment to social housing remains very firm despite the awkwardness of the economic inheritance that we have to live with.

1.28 pm

Sitting suspended.

Energy Industry (East Anglia)

1.30 pm

Brandon Lewis (Great Yarmouth) (Con): If we can catch the wind, the economy of the east of England can take off. When the first gas was brought ashore more than 40 years ago, it was the east of England that fuelled the North sea boom. Today, we are at the forefront of what could be a second energy-led economic boom—the drive for more renewables. The first major offshore wind farm installations, the largest in Europe, are in our region at Scroby Sands, which is now a prominent landmark just off the coast of my constituency. It has given a further economic boost to tourism: the wind farm's information centre is hugely popular, with about 30,000 visitors a year who bring even more economic benefits to Great Yarmouth. The new Greater Gabbard wind farm, off the Suffolk coast, will dwarf first-generation wind farms; it is due to go online with 140 turbines.

The UK's ambitious target is to increase offshore wind power from 1 GW to 33 GW over the next decade, and the eastern seaboard will have a major role to play. Although planning agreement for the round 3 wind farms will not be completed before 2012, an area stretching from the Humber to the Wash and the Thames estuary will contain the world's largest market for offshore wind energy. The Carbon Trust estimates that as that market develops, more than 70,000 jobs could be created or supported in the UK. Areas such as Great Yarmouth and Lowestoft desperately need those jobs. Great Yarmouth has some of the most deprived wards and highest unemployment figures in the country.

The UK has enormous potential not only to dominate the domestic market but to export expertise, technology and energy around the world. Great Yarmouth, Lowestoft and surrounding areas in east Anglia have done well in the past 40 years exporting and understanding the expertise and technology of the North sea oil and gas industry. It is vital that we seize this opportunity, especially as our area has been excluded from the Government's recent announcement of £60 million in funding aimed at the industry because we are not part of the assisted areas scheme. We understand that, but we are determined to highlight what our area has to offer. For example, environmental studies have already been approved for the outer harbour of Great Yarmouth, saving a potential £50 million by some estimates.

Great Yarmouth and Lowestoft have pockets of high deprivation and unemployment. Energy could boost and regenerate local economies and give economic impetus across Norfolk and Suffolk. Outside the tourist season, some wards in Great Yarmouth have unemployment rates of 16% and occasionally 18%. It is important for our area that we develop and regenerate our economy to improve employment and economic growth all year round. Energy could supply that opportunity.

We appreciate that we will have to work even harder to compete against the north-east and Scotland. Partnership working is the key to bringing success to the region. Already, a consortium of businesses, public sector organisations, politicians and universities and colleges have come together with a common aim, focused through an organisation called the East of England Energy Group. The group fulfils a fabulous role in bringing together all those bodies to develop and outline innovative ways to attract investment to the area.

Peter Aldous (Waveney) (Con): I commend my hon. Friend on securing this debate. East Anglia has great potential to create new jobs in the energy sector, but does he agree that in order to realise that potential, it is vital to invest in skills and training to attract new businesses to the area?

Brandon Lewis: Absolutely. I agree. If my hon. Friend will bear with me, I will come to that in a few moments.

The EEEG's strategy is to use the region's enthusiasm for wind energy to encourage other opportunities and energy-saving activities, including the decommissioning of North sea platforms and the use of empty gas wells for carbon capture and storage. Decommissioning alone could be a huge industry for the east of England. We could become an area of leading expertise. We are perfectly placed in terms of proximity, expertise and history to do so.

It would boost the market and longer-term North sea oil and gas production if we moved forward with tax relief on security fund payments for the industry and reconsidered the currently high levels of financial security required for those platforms. At the moment, those and other issues are restricting the amount of investment and production, and the Treasury is arguably losing out as well.

Along with councils in Great Yarmouth and Lowestoft, 1st East is specifically directing a marketing campaign at companies involved in the first two rounds for wind turbines. The campaign is already generating visits to east coast ports, where companies are seeing that the area is superbly equipped for servicing the industry and cannot be beaten on proximity. The new deep-water port facilities in the outer harbour of Great Yarmouth, which can handle the largest offshore wind vessels, also make us more accessible, and the existing multi-energy supply chain is particularly attractive to companies entering the area.

We have also been boosted by the Government's announcement of the A11 upgrade, which our area desperately needed. Without it, the region's economic expansion would have been hampered. All those things have shown the industry that if it is willing to invest in Norfolk and Suffolk, we are willing too. Our Government have put their cards on the table by investing in the A11. It is a fantastic announcement that could boost the economy across a range of industries. However, securing investment and developing infrastructure alone will not be enough. We must similarly expand the skills base. Our colleges and world-class universities are providing skills for a new generation of apprentices and engineering graduates.

Simon Wright (Norwich South) (LD): Does the hon. Gentleman welcome the bid prepared by City college Norwich and the university of East Anglia for a university technical college in Norfolk? It would help develop energy skills and advanced manufacturing and engineering in the sector. Does he also agree that for the reasons he has given, Norfolk is an obvious location for such an institution?

Brandon Lewis: I support everything that my hon. Friend says. We are perfectly placed. At the moment, we face a skills gap, as not enough people are coming through schools and into universities with the right graduate skills to serve the energy, engineering and high-tech industries in our region, let alone the rest of the country. The work going on now is perfectly placed to encourage more students into those fields. The industry is working with colleges to develop courses to ensure that the skills base is built up properly.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I congratulate my hon. Friend on securing this debate. Does he agree that we have such a wide range of energy platforms, whether offshore, nuclear, biogas or similar, that the skills could be transferable? We need not be single-minded about skills in specific offshore or onshore renewable energies. East Anglia is the epicentre of the green coast, as I said in my maiden speech. The case for a technical college covering both Norfolk and Suffolk is compelling, ideally with the help of the new local enterprise partnership.

Brandon Lewis: I endorse everything that my hon. Friend says. The new LEP, which will hopefully be the new Anglia partnership—a strong bid has been submitted, and we are hoping for approval any day now—has shown Norfolk and Suffolk councils and businesses coming together to do something for the best interests of our entire region. It is fully endorsed by the energy industry and those who represent it, and could be a hugely important vehicle for moving the industry forward. She is absolutely right to highlight the opportunity offered by our region, which I touched on briefly, because we already have multi-energy use, something that hardly anywhere else in the world can match.

This morning I met representatives of a company called Perenco, one of the largest independent oil and gas companies in the world, and certainly in our country and in the region, which already looks after and owns platforms in the North sea. It has shown exactly the kind of skill base that we have in the region. For example, there is a company based in Great Yarmouth that has taken on platforms that were due to be decommissioned. I remember reading articles more than 10 years ago that stated that decommission was imminent, but we are still talking about that being imminent, and one of the reasons why it is taking so much longer than was originally outlined is that companies such as Perenco are playing their part to maintain that time lag, and for good reasons. Their expertise, knowledge and ability to get more production out of those platforms in order to increase energy capacity cost-effectively are making a vital contribution to our energy security and energy supply chain. Companies such as Perenco could do more, but they are slightly hampered in their work, particularly with some of the platforms that they could develop and invest in, by some of the restraints imposed by the way in which decommissioning is structured and the regulations around security for that. I hope that the Minister will take those comments forward.

As hon. Friends have mentioned, there is a skills centre planned that will act as a hub, working directly with existing training providers and industry to bridge the gap created by current skills shortages. Some energy companies are already sending staff to meet pupils in schools and colleges, for which they should be commended. I hope that we can find a way in which the Government can encourage and motivate more of that and make it more worthwhile for those companies. They are doing

[Brandon Lewis]

that out of their own good sense and because they understand that they need to do it now to secure the skill base for the future.

No matter how much we ask our teachers, careers advisers and educationists across the education spectrum to talk to students about the opportunities available and the right courses to study, it is always different when a member of the industry who has been there, seen it, done it, lived it, experienced it and benefited from it can go into schools and motivate the children. It is a more positive way to motivate them, with real experiences that children will understand. It is exciting that some of those companies, certainly in Great Yarmouth, are already going into secondary schools to talk to students at quite a young age, sometimes before GCSEs, to tell them what they can aspire to and what they can achieve if they choose the right courses early on. Those companies are planning even now for 10 or 15 years down the line, and they should be commended for that.

There is also the participation of the Forces 4 Energy initiative, which helps attract to the industry much-needed and highly skilled engineers leaving the armed forces. They are ideal candidates to be retrained for key roles in the energy sector, and they can play an important part in closing the skills gap. The companies going into schools now are planning for the next 10 to 15 years, but we must also bridge the gap for the next two to five years, and engineers leaving the armed forces can play an important part in that.

We are not asking for a Government handout, much as we might like one—we would welcome it if it is offered at any stage. We are happy to work hard, show why East Anglia is the place for companies to invest in, and do our part to develop our economy. As I hope I have outlined, we are doing that already. We are asking for an even playing field and for the Government to acknowledge our skills base, the offer we can make to our economy and the wider national economy and to recognise the excellent work that the private and public partnerships coming together are providing for our region.

With Great Yarmouth borough council, Waveney council, Suffolk Coastal district council, Norfolk county council, Suffolk county council, 1st East and private companies right across the region coming together, there is a long list of organisations in the private and public sector working hard to deliver for our region and our country. That, I argue, is the perfect example of the big society. The extensive network of companies, councils and training providers, some of which I have noted, in the Lowestoft, Great Yarmouth and East Anglia region generally will be one of the key driving forces in our region and in the UK for a green, secure and thriving economy.

1.44 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): It is a pleasure and a privilege to serve under your chairmanship, Mr Gale. I congratulate my hon. Friend the Member for Great Yarmouth (Brandon Lewis) on securing the debate and on the vision, realism and determination that came through in every aspect of his speech. He has already shown himself to be a strong champion for his constituency and his whole community, and today's speech adds to his track record. I was also delighted to hear the contributions of my hon. Friends the Members for Waveney (Peter Aldous), for Norwich South (Simon Wright) and for Suffolk Coastal (Dr Coffey), which focused so directly on the skills issue and on what more should be done, and is being done, to ensure that people in East Anglia, particularly the young, can take advantage of the huge array of energy opportunities that will be available to them in the future.

I will begin by explaining the national background against which the opportunities in East Anglia need to be seen. I particularly want to pick up on the energy security aspect to which my hon. Friend the Member for Great Yarmouth referred. In the past week, we have had two of the three days of highest gas demand that we have had in our history. All three of them have been this year, and we should be in no doubt about the contribution made by the interconnectors coming into East Anglia, which make a critical contribution to our gas and energy security. I have been pleased to give a licence to Eni, an Italian company, to develop what will be the largest gas storage facility off the East Anglian coast. It still requires final approval, but it will be a significant addition to the contribution that East Anglia makes towards our energy security.

The Government have a key role in ensuring that we can make the transition to a low-carbon economy, but it is not up to the Government alone. The business world also has a critically important contribution to make, and the Government believe that it is our job to try to facilitate that transition and investment. We are introducing a range of measures that we believe will take that forward. First, electricity market reform will totally transform the attractiveness of investing in the low-carbon energy sector in this country, and will be the biggest reform of that market for 30 years. We believe that it is critical if we are to secure the essential investment—£200 billion—that will be required over the next 10 to 15 years. That will include issues such as setting the carbon price and moving on from the climate change levy, as announced in the June Budget, to give people long-term security about the market in which they will be investing.

We have given real meaning to the concept of a green investment bank, as £1 billion has already been committed to that, with a commitment for additional funds to come through from asset sales in due course. In looking at exactly how that should be structured, we can look at other examples, such as the green investment bank in the Netherlands, which has a market capitalisation of €2 billion, but which has brought in capitalisation leveraged from private investors of €100 billion. That can play a critical role in encouraging investment in low-carbon technologies.

We are reforming the planning system for major infrastructure projects. We had a debate in the main Chamber last week on the national policy statements, and we hope that they will go through the parliamentary process by next spring. We are also tackling barriers to investment in energy efficiency by launching the green deal, which will be the centrepiece of the energy Bill that will be introduced in the next few weeks. We will also ensure that we roll out smart meters with greater determination and drive than has previously been the

case. We are putting in place the right framework to encourage people to invest in the low-carbon economy and in our energy security.

I want to focus in particular on the unique contributions and benefits that East Anglia can make in that respect. In almost every aspect of the energy equation, East Anglia has a role to play: in nuclear and the role of new nuclear; potentially as part of the process of carbon capture and storage; as a major centre in the roll-out of renewables; and clearly as a key centre for gas security. My hon. Friend opened his speech by discussing the renewables aspect of the debate. That relates both to onshore and to offshore wind energy. We should recognise the contribution that East Anglia is making in relation to onshore wind, as it provides 15% of England's onshore wind capacity. Growth is expected to continue over the coming years, as there are 10 projects in planning and 10 projects that have come through planning and are awaiting construction. There are 18 projects already operating and we are aware of a further eight projects in the pre-planning stage. We should certainly recognise, therefore, the contribution that East Anglia can make in that area.

We want a different relationship between wind farms and the communities that host them. That is why, in the localism Bill, to be published shortly, we will discuss how local communities can derive much greater direct benefit from the facilities that they host, both financially, for local business rates for a number of years, and through community ownership. Examples throughout the country include Westmill community wind farm in Oxfordshire, which is 100% community owned. The people living near such facilities can truly see the benefits that they get from them.

We also recognise the massive potential offshore. Without doubt, offshore wind technologies will be critical in meeting the challenging renewable targets faced by this country. My hon. Friend mentioned Scroby Sands. I am pleased that he highlighted the effect that that has had on tourism—30,000 visitors a year view the facility there—because that shows that there is great public interest in the opportunities that this technology presents. Public support and interest will be immensely important to us as the technology advances.

The Crown Estate has awarded development rights for the East Anglia offshore wind farm zone, under the third round of offshore wind development. Initial studies have identified a target capacity of more than 7 GW, which would be enough to provide clean, green energy for 5 million homes. I am delighted that the first project in the zone has already been identified with a scoping application recently submitted. Known as the East Anglia ONE Offshore Windfarm, covering an area of about 300 sq km, it could support up to 1.23 GW.

East Anglia is well placed to exploit the opportunities provided by the expansion of offshore wind manufacturing and I want it to demonstrate the positive impacts of this emerging industry, not only on the local economy, but for our country's energy security, growth and environment. However, we want to do that based on realism rather than grand plans, which is why next spring we will publish a robust delivery plan for renewables to ensure that people are clear about what we want delivered, and understand the role of Government in making that happen and what we believe will be the role of others in delivering that.

My hon. Friend is concerned about the ports competition. I understand that he and my hon. Friend the Member for Waveney are frustrated about the competition focusing on assisted areas, which is necessary because of European funding rules, but I assure my hon. Friend the Member for Great Yarmouth that that will not preclude investment in areas that are not assisted. We are pleased with the work done by the Crown Estate, and we have agreed a statement of intent to work together to support the development of the UK's offshore wind manufacturing capacity. That is intended to ensure that port infrastructure requirements do not delay offshore wind development. Opportunities around the country will be considered, with the focus not purely on assisted areas, but on the potential in many parts of the country. Through conversations that I have had with both my hon. Friends, I understand their determination and drive to bring investment to their areas, and I commend their personal work to draw attention to the opportunities, in that regard, which are some of the greatest in port infrastructure anywhere in the country.

Other issues need to be addressed, to reassure my hon. Friends' constituents, in relation to the grid connections and how those will be joined to the national grid. There is growing concern about the need to upgrade the national grid, which will have to be substantially rebuilt in the coming years to respond to the way in which our energy supply will change. We have already made changes to the offshore market to try to encourage investment in that sector, with businesses confident that they will be able to get their power to market when it can be generated, but that gives rise to two issues that we must focus on. There is the national interest in trying to ensure that we contain the number of substations that will be required—the junctions where the cables land—and how those tie into the national grid, because they are substantial and will cause local concern.

We are trying to ensure that a strategic overview is taken in considering such matters and that, in looking at the most appropriate place for the power to come on land, we consider the existing onshore grid infrastructure. I understand the concerns of my hon. Friends in East Anglia—as in other parts of the country—about the new pylon infrastructure. We will take a strategic view to see how best that can be taken forward.

My hon. Friend rightly focused on oil and gas decommissioning. The oil and gas industry has been extraordinarily successful for this country; it supports 450,000 jobs and has capital investment worth some £5 billion a year and is still one of our most extraordinary successes. As we know, however, the decommissioning of offshore oil and gas platforms and infrastructure will start to speed up, with some 260 fields in the UK continental shelf having to be wholly or partially removed from UK waters in the next 30 years. It is estimated that there will be around £25 billion of work in the decommissioning market in the UKCS in the next 30 years, which presents a huge business opportunity for the UK supply chain and the East Anglia region in particular, given that roughly one third of the installations are on its doorstep. The work that Perenco, Shell and EDF and others are doing has been important both for the region and in respect of this vital task for our nation.

[Charles Hendry]

There is sig.ificant engagement with contractor companies, including AF Decom, Aker Solutions and Smulders, the Dutch company. We want to encourage more companies around the world to look at the opportunities here. Equally, we see fantastic opportunities for the companies that are already based here to use that expertise to find international opportunities. As a Government, we will work with them to try to secure such opportunities. My hon. Friend mentioned tax, and we will ensure that the Treasury hears his comments. He will understand why I am not able to make any personal commitment on those matters today, but we understand that our friends in the Treasury will consider these issues carefully.

We have heard about opportunities for new nuclear. We are taking that work forward with great energy. We have taken through the House the process of regulatory justification—a key legal stage—with one of the biggest majorities in this House on a significant issue in recent times. Sizewell B is our most recent power station in the nuclear fleet, generating 3% of the UK's entire electricity needs, and it is EDF's favoured site for a new reactor. EDF has identified sites at Hinkley Point, near Bridgwater in Somerset and Sizewell for their new reactors, which would potentially amount to 6.4 GW of new power.

As has been said in this debate, much depends on skills. To take advantage of the opportunities in the power sector, we have been working with Cogent and others to help ensure that young people and others have the relevant skills to take part in this process. Cogent has estimated that in the nuclear sector alone, in the manufacture, construction and operation of a station with twin reactor units, there will be 21,200 person years of work over a six-year period, which equates to 3,400 full-time equivalent personnel per year. That shows the scale of the opportunities for new employment in this area.

There is a massive opportunity in new nuclear for British business and for businesses that are already established in East Anglia. The role of business is to secure the low-carbon economy and the low-carbon future that we want. There is no doubt that business needs Government support and co-operation to make that happen. At the same time as introducing those changes, which will help to transform the attractiveness of the energy sector in this country to international investors, we will work to reduce the regulatory burdens on business.

My colleague, Lord Marland, has been in contact with 250 organisations to explore the scope for reducing and simplifying the burden of red tape imposed by my Department. The ideas generated by his contact with organisations and what the Department of Energy and Climate Change plans to do as a result has already been put on our website. I give an absolute assurance that, if there are barriers to investment that should not be there which Government can remove, we will focus on those.

We have had a valuable debate about an issue that is critical to the whole East Anglian area. I congratulate my hon. Friend and my other hon. Friends for their contributions to this debate, but more importantly for the contributions that they are making to the sustainable energy future of their counties.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 8 December 2010

[MR JAMES GRAY *in the Chair*]

Defence Spending (Wales)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Stephen Crabb.)*

9.30 am

Mrs Siân C. James (Swansea East) (Lab): I am grateful for the opportunity to secure this important debate, and to the Minister for attending. Wales has a long and proud heritage with the armed forces, and is home to the British Army's most famous regiments, great ports, and RAF bases. Many towns are affiliated with Royal Navy warships and submarines. It is a world leader in the aerospace and defence industries, and from a strong cluster around Airbus UK in the north to GE Aviation, General Dynamics, NORDAM and British Airways in the south, manufacturers and suppliers employ thousands of highly skilled people in high-tech, highly paid jobs throughout the country. Wales is also an important recruiting area, and many young men and women in Swansea, and particularly in my constituency, join up.

That legacy dates back more than 300 years, and is strongly intertwined with our industrial past and communities throughout Wales. Indeed, the cenotaph at the heart of St Athan village is dedicated to the memory of

"the youth of all nations who fell that war might end, by the boys of the South Wales coalfield."

That is an enduring tribute to the link between our nation's proud coalfield communities, and the young soldiers who fought so selflessly to protect them. What gives that message even wider symbolism is the heartless graffiti and vandalism that has recently desecrated the memorial. Without wishing to make too blunt a point, it is difficult to ignore the parallels with the cruel disregard for St Athan shown by the coalition Government. They made an abrupt decision to scrap the plans for the St Athan defence academy, and I shall focus on that today.

The Government's decision is a huge blow not just to the Vale of Glamorgan, but to the whole of Wales. The project would have led to the creation of thousands of training, support and construction jobs, and would have provided significant opportunities for local suppliers and the local community. The coalition Government's decision to cancel the Metrix consortium project will mean losing up to 2,500 training and support jobs and up to 1,500 construction jobs, as well as the loss of a £700 million to £800 million defence technical college construction contract and the £60 million annual supply chain expenditure, and a £500 million annual boost to the Welsh economy from operational activities, and a large boost to local tourism.

Wales makes up 5% of the UK population, but contributes 8% of the armed forces. The Government pride themselves on fairness, so surely Wales should receive an equal proportion of military spending. South-east England receives £7.1 billion and Scotland receives £1.5 billion, but Wales receives just £390 million.

Nick Smith (Blaenau Gwent) (Lab): Blaenau Gwent contributes many servicemen and women to our armed forces, and we have had some great armed forces days in recent years. My hon. Friend is absolutely right: according to statistics that I have seen, Wales receives just £380 million in defence expenditure. Surely that is not enough.

Mrs James: I agree with my hon. Friend. Wales received the second lowest military investment of any region in the UK. Surely that cannot be right. The decision in the summer to award Gwent-based General Dynamics a £500 million contract to help to equip the Army with a fleet of new Scout combat vehicles was very welcome, and that should have been followed with an annual £500 million boost from St Athan. Together, they would significantly have redressed that unfairness. Instead, the coalition dithered, and that has cost us dear.

Mr Wayne David (Caerphilly) (Lab): On the defence technical college, does my hon. Friend agree that it is bizarre that, at a time when south Wales is likely to lose many thousands of jobs in the public sector, that private sector development will not go ahead?

Mrs James: I agree, and there are many such examples; I will home in on that issue later.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): In addition to the issue of the unfairness, does it not seem that the coalition Government are determined to cut off their nose to spite their face, because they will lose the savings and efficiencies that the new academy would have created?

Mrs James: I agree with my right hon. Friend. Unfortunately, the Government cutting off their nose to spite their face does not help people in south and wider Wales.

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I am listening with surprise to the hon. Lady, because she seems to be saying that we should make defence decisions based on employment in south Wales, rather than on the needs of the armed forces and the nation. Is that right?

Mrs James: I cannot agree with the Minister. I am saying—I thought I had done so clearly—that there is a disparity, which would have been reduced if the Government had decided to go forward with the defence technical college. It is not rocket science; a decision to build the college would have provided more equality and fairness. It would not have endangered front-line services, but would certainly have helped our forces, who serve so valiantly in Afghanistan.

Mr David: On that important point, if the Government were concerned about the well-being of the armed forces, they would have ensured that the technical college went ahead. That point illustrates that the Government are not concerned about the long-term defence of this country.

Mrs James: I thank my hon. Friend for that. What have we heard from the coalition? The Prime Minister and the Defence Secretary maintain that there is still a bright future for the area, and that a decision will be made in the spring. The Welsh Secretary insists that she is continuing to press the case for St Athan, but we have all witnessed the power that she wields in the Cabinet. There have been so many words, but so little action—there was the decision to close the Newport passport office, deferral of the electrification of the south Wales main line, and the fact that Wales was not included among the new superfast broadband pilot areas.

Chris Ruane (Vale of Clwyd) (Lab): Will my hon. Friend include cancellation of the north Wales prison on that list?

Mr James Gray (in the Chair): Order. Before the hon. Lady answers, I remind hon. Members that we are debating defence spending in Wales. It is not in order to discuss other projects that may or may not have been cut.

Mrs James: I thank my hon. Friend—and I include the north Wales prison on my list.

We are already witnessing the impact of the Government's dithering, delay and abandonment. Last week, business confidence in Wales dropped severely from 22.4 points last quarter to 6.3 points. Scrapping the St Athan project was mentioned explicitly as a "significant dampener on confidence". That is hugely worrying, and demonstrates the huge risk in the coalition's assumption that the private sector will provide jobs for those in the public sector who become unemployed. For Wales, the stakes are even higher. Public investment plays a greater role in our economy than in England, and our business sector is much more fragile. As our Labour First Minister in Wales, Carwyn Jones, has said, the spending review is clearly regressive. The human and social impact could be both devastating and wasteful, and the real cost could be with us for generations. It further demonstrates how the Government are pursuing cuts with a scale, scope and speed that risk Welsh jobs, Welsh growth and Welsh recovery, and puts the squeeze on the most vulnerable in our society.

Geraint Davies (Swansea West) (Lab/Co-op): Does my hon. Friend agree that a strategic investment of the magnitude that we are talking about would have a major multiplier effect on inward investment in Wales? I am talking about not just visitors and tourism, but the clusters of aero-industry, and encouraging early rail electrification, which has been delayed. Such measures work together in harmony for Wales, and without them the opposite applies.

Mr James Gray (in the Chair): Order. I am sure that the hon. Lady will not allow herself to stray when responding to that intervention.

Mrs James: Success breeds success, and if the scheme had gone ahead, we could be looking forward to a much brighter and more successful future. Wales still has a lot to offer British troops serving in the UK and overseas. Increasing the defence footprint in Wales will strengthen the Union and local communities. The benefits are wide and invaluable, but the matter is not being addressed by the coalition.

When asked about the equitable distribution of defence spending across the UK, the Defence Secretary stated:

> "When I meet troops in Afghanistan, they do not ask one another whether they came from Belfast, Cardiff, Edinburgh or London. They are forces under the Crown and proud of it." [*Official Report*, 5 July 2010; Vol. 513, c. 18.]

And rightly so.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): That is good stuff, but will the hon. Lady explain why over the past 13 years, two military establishments in Carmarthen West and South Pembrokeshire have been gradually eroded, so that they are now approximately one third of the size that they were in 1997?

Mrs James: As we understand, things have been—and are—very difficult. There was an alternative, and under a Labour Government there would have been an opportunity for the defence technical college. As Welsh MPs, we lobbied long and hard for the defence technical college, because we knew that it would bring opportunities and investment.

Albert Owen (Ynys Môn) (Lab): One of the big success stories of the defence budget in Wales, and the UK, is RAF Valley in my constituency. It is a centre of excellence for fast jet training, and has had hundreds of millions of pounds of new investment. That is now under threat.

Mrs James: I agree, and I congratulate my hon. Friend on that; it is important that places such as RAF Valley continue to thrive and prosper. They add to the defence footprint in Wales and need to be enhanced.

Huw Irranca-Davies (Ogmore) (Lab): Does my hon. Friend share my regret that over the past few months we seem to have lost cross-party consensus on protecting the interests of Wales, particularly in terms of defence? I pay tribute to the work of those hon. Members who, under the previous Government, fought to persuade military chiefs and the MOD that south Wales was worth investing in. That support has been lost, and it bodes badly for the future that there will be only one or two parties in Wales to speak up for the interests of Wales.

Mrs James: My hon. Friend is correct. I was part of that lobbying group, and we worked hard to demonstrate how we could provide a service that would have been world-beating, and that would help ensure the safety and future of our brave young men and women.

When I talk about those brave young men and women, I am thinking about people in my community. When we talk to families about how well their sons and daughters are doing, they tell me about the problems and challenges that they face as individuals and as part of the wider community. They are troubled about their future, and given that more than 60,000 people face losing their jobs, the decision on St Athan means that many people have little hope for the future. Those families deserve to be rewarded for the great contribution they have made.

The defence training academy is not only an economically sound investment, a socially beneficial plan and a strategically intelligent initiative, but fair. It is fair that a highly skilled work force should get the investment they deserve, and it is fair for our armed forces to be equipped with the best training and facilities possible.

Simon Hart: Are those brave young men and women the same brave young men and women who had to buy their own kit to fight in Afghanistan over the past few years?

Mrs James: We have heard such tales. I have been approached by families and relations, and I went to the bother of checking out every story. I found that such statements were just not true. There were opportunities for the families to do other things, but the troops had equipment of the highest standard. I can pass on letters that I wrote to Ministers and those I received in reply. I thank the hon. Gentleman for his intervention.

Chris Ruane: Why?

Mrs James: Well, the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) is entitled to his opinion, just as I am entitled to mine. It is fair that a community with a proud military history should continue its lasting legacy, and it is fair for Wales to get military investment to match its contribution to our armed forces. The Secretary of State for Wales repeatedly states:

"We have secured a fair settlement for Wales." —[*Official Report*, 3 November 2010; Vol. 514, c. 904.]

and the Defence Secretary insists that the best decisions will be made for the defence of the UK. Neither has yet delivered on those promises, although that could change today.

Geraint Davies: Is my hon. Friend surprised that although Conservative Members complain about individual areas of underspending under the previous Government, they support massive cuts to the defence budget, particularly in St Athan? That is absolute hypocrisy.

Mrs James: I am not surprised; I think that is to be expected. The people of Wales know what is to be expected, as do people in other parts of Great Britain.

Mrs Madeleine Moon (Bridgend) (Lab): My hon. Friend says that the people of Wales know what to expect. Yesterday, I looked at the part of the Ministry of Defence website about defence in Wales. It said that the £14 billion investment in St Athan was still to go ahead. Would it be helpful if the people of Wales were able to look at that website and see accurate information? Perhaps when the Minister responds, he will announce that the website is in fact accurate.

Mrs James: I urge people to look at that website. We must have the most up-to-date information, and I hope that the Minister will give us good news today.

In my closing remarks, I will quote the memorial in St Athan. It says that the boys of the coalfield will

"dedicate themselves to complete the task so nobly begun."

I hope that the Minister will return to his Department and dedicate himself to completing this task for St Athan, the people of Wales and our brave soldiers.

Several hon. Members *rose*—

Mr James Gray (in the Chair): Order. A large number of people are trying to catch my eye. I intend to call the Front-Bench speakers at 10.40 am, and I appeal to all those who wish to contribute to do so as briefly as they reasonably can.

9.46 am

John Glen (Salisbury) (Con): I am grateful for the opportunity to contribute to the debate, Mr Gray, and it is a pleasure to serve under your chairmanship. As a member of the Defence Committee, although not a Welsh MP, I take a keen interest in these matters. As the hon. Member for Bridgend (Mrs Moon) will acknowledge, the Committee's report pulled no punches when it came to reviewing the Government's attitude to the strategic defence and security review, and in reporting its conclusions.

I agree with the concept of a defence training college. One of the critical challenges facing the armed forces is the need to avoid duplication and streamline training processes. When the Defence College of Electro-Mechanical Engineering—DCEME—was formed in April 2004, it brought together a number of separate service training organisations, all of which delivered different forms of engineering. The aim was to exploit synergies, improve training delivery and increase efficiency and effectiveness.

The notion of a defence training college is sound. There is a lot of training duplication across the three services, and anecdotally, there are many common factors to basic engineering training programmes, although that is not always acknowledged by the different services. It is clear that St Athan should play a key role in delivering a harmonised service.

In theory, a further rationalisation to one site could reduce costs and save money. That should bring areas of expertise and excellence together and lead to greater co-operation between the services. However, it is not clear whether the work has been done by the three services to align their training requirements. There are always good reasons to compromise, and different services have different needs. Such matters need to be ironed out, and we must be clear what we are aiming for in this investment.

Huw Irranca-Davies: I appreciate the fact that the hon. Gentleman is taking part in the debate. It is important to have members of the Defence Committee in the Chamber, because this discussion is not only about Wales but about what is best for the armed forces. I appreciate his train of logic, which steers us towards the rationale of having tri-service training on one site—we hope that it will be in Wales, but please let it be somewhere—for the good of the armed forces. However, the hon. Gentleman is approaching a compromise.

I do not want to digress from the subject of the debate, but when the decision was taken on Sheffield Forgemasters, there was an undertaking that discussions would continue. However, nothing has happened. We hear that the hon. Member for Vale of Glamorgan (Alun Cairns) is delighted that discussions are continuing

[Huw Irranca-Davies]

on this matter, but yet we have heard nothing. Will the hon. Member for Salisbury (John Glen), or perhaps the Minister, illuminate us on what exactly the future holds for the tri-services and St Athan?

John Glen: I thank the hon. Gentleman for his intervention. I am confident that my hon. Friend the Minister will deal with that point; obviously, I am not in a position to verify it. However, I will point out that the defence academy at Shrivenham is a good example of successfully bringing together different service needs in delivering training. That defence academy has proved a resounding success. The majority of training there is postgraduate, with accredited civilian qualifications the result for many people.

Geraint Davies: The question was asked: where is the hon. Member for Vale of Glamorgan (Alun Cairns)? Given that this issue is so strategically important for his constituency and that he is the new MP for the constituency, and if he is saying things about discussions, why is he not here? Where is he?

John Glen: I thank the hon. Gentleman for his intervention. I understand from colleagues that my hon. Friend is working in the Vale of Glamorgan today. Obviously, I cannot account for the movements of other hon. Members.

The concept of St Athan was good, but it was decided that the project was undeliverable by the Metrix consortium. It is clear that a huge number of courses across the services need harmonising.

Alun Michael: I am a little puzzled about the decision. What the hon. Gentleman refers to was clearly decided—he is right about that—but it does not seem to have been decided on the facts, which demonstrated savings for the armed services as well as efficiencies from the proposals, which were assessed very carefully before the decision to go ahead was made. So why was the decision made to change that? It had all-party support. There was careful examination of the benefits to the services. Where did the decision come from?

John Glen: I thank the right hon. Gentleman for his intervention. No doubt the Minister will want to deal with the point about the logic of the Government when they made the decision.

What is confusing to me, as someone who has taken an interest in defence matters, is the extent of the investment at St Athan. Let us say that three services are coming together and, for example, work is being done on ship engines. How reasonable and cost-effective will it be to get engines from Portsmouth to St Athan? Is that the right option? To what extent will all that work be cost-effective? Presumably it would be helpful to have a driving range for tanks if people wanted to test the tanks on whose engineering they had been working.

How does the Minister reconcile the fact that, as the hon. Member for Swansea East (Mrs James) said, Wales receives the second lowest "investment" from the MOD with the arguably bigger imperative to achieve value for money for the MOD as a whole and for UK defence as a whole? Looking to the future, I am clear that defence training needs to be harmonised. That issue needs to be considered on two levels. Where would be the best place to site such a college from a UK defence perspective? In addition, such a decision should not be wholly based on relative under-investment in one region of the country or another.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Will the hon. Gentleman give way?

John Glen: No, I shall make a little more progress and come back to the hon. Gentleman in a minute.

If the best place is St Athan, there is a need to bring certainty to the decision and clarity on the time scale and scope of the project. However, I do not believe that money should be spent in Wales just because it needs the investment. That is just one part of the decision. It is critical to ensure that any consolidated training college addresses the broadest possible needs.

Mrs Moon: I am extremely pleased to see my colleague from the Select Committee on Defence here today and I pay tribute to the work that he does as a Member for whom I have a great deal of respect. However, what he is suggesting today is that the Ministry of Defence has failed over the past three years rigorously to examine the proposal for St Athan. He is suggesting that civil servants and Ministers have neglected to consider all the issues that he has raised. That is just not true.

John Glen: I thank the hon. Lady for her intervention. I have a great deal of respect for her and her knowledge of this subject, but it was her party that was in government for several years and had an opportunity to bring this matter to a conclusion before the election. I wonder why it did not do so.

For me, the challenge remains the need to rationalise defence training and spending across the three services to the broadest possible extent. Let us consider leadership and management training. There are a huge number of locations throughout the UK. There are separate leadership schools and centres of excellence. There are vast numbers of adventure training establishments and music schools. I am frustrated that there is not enough clarity about taking the process that I have described to the furthest extent and perhaps giving greater scope for initiatives such as those that I am discussing.

Huw Irranca-Davies: Will the hon. Gentleman give way?

John Glen: Yes, but this will be the last time; I have nearly finished my speech.

Huw Irranca-Davies: I worry that what we have here is a softening up. The hon. Gentleman serves on the Defence Committee. Surely he has the ear of the Minister and speaks to him in the corridors, as we try to do as well. Our suspicion is that discussions will continue about St Athan till the cows come home on the pastures of St Athan and that we are being softened up for the tri-service academy not going ahead in any shape or form that we recognise. It will be dispersed somewhere else in the UK or to various other sites in the UK. That is what the hon. Gentleman is hinting at.

John Glen: I thank the hon. Gentleman for his intervention. Obviously, not being the Minister, I do not have the ability to make those decisions. I am just flagging up the wider defence interests that are at play. A serious examination is needed of what is right for UK defence interests as a whole and the efficient delivery of tri-service support. I am making the case for that to be as broad as possible and for the right decision to be made for the UK.

Mr James Gray (in the Chair): I call Mr Jonathan Edwards.

9.56 am

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Diolch, Mr Gray; it is a pleasure to serve under your chairmanship. I congratulate the hon. Member for Swansea East (Mrs James) on achieving this very important debate about defence spending in Wales. The reality is that the trajectory of Government policy in recent years has seen a reduction in defence spending in Wales, and it is very important that we have a discussion about that. Hon. Members are here largely to express their concerns about the ending of the Metrix proposal for the defence training college at St Athan, about which the hon. Member for Swansea East spoke eloquently. It was cancelled in October by the new Conservative-Liberal Democrat coalition Government in Westminster.

As with other areas of defence, such as the £10.5 billion contract with AirTanker Ltd, the Public Accounts Committee has pointed to the flaws in defence procurement and the difficulties in keeping a lid on projects paid for under private finance initiatives. Indeed, the estimated budget for St Athan, even before work really commenced, had increased substantially, from an original estimate of £12 billion to £14 billion, and that at a time when the recession hit and the necessary capital from land sales was not becoming available as expected.

We shall see in the spring whether St Athan will be successful again, depending on the new criterion being announced for defence training by the UK Government, which will of course have changed in the light of the strategic defence and security review and the downsizing of the number of UK troops who will require those training facilities. However, we can be sure of one thing: the scheme will not go ahead as previously envisaged.

While I am on the subject of St Athan, I need hardly remind everybody that the number of staff working at the site is falling, with 339 job losses having been announced this time last year. Further to that, a response to a parliamentary question a fortnight ago from the hon. Member for Vale of Glamorgan (Alun Cairns), whom I notice is not here today, concluded that no further work would be done using the super-hangar to maintain and repair RAF aircraft at the base after 2010. Make of that what you will.

However, the topic of today's debate is defence spending in Wales, and it is good that we can have a debate about that, because those figures have been made available to us. Thanks to the "UK Defence Statistics" annual publication for 2010, published on the Defence Analytical Services Agency website, we can see that the number of jobs as a result of defence spending in Wales under the last Government fell from 8,990 in 1997 to 4,900 today—a drop of 42%. In terms of service personnel, that is a drop of 13% from 3,300 in 1997 to 2,930 this year. In England, the figure has risen by 3%. For civilian personnel, it is a far more substantial drop of 62%, from 5,100 in 1997 to 1,970 today. In England, the figure has fallen by only 30%, which is less than half the fall that happened in Wales. The south-east of England has the largest number of service personnel, with almost 45,000, or, in other terms, 15 times the number of service personnel based in Wales. In percentage terms, those figures might be more striking. Although Wales has 5% of the UK population, only 1.7% of service personnel are stationed there and only 2.8% of civilian Ministry of Defence jobs are in Wales. Meanwhile, of course, almost 20,000 service personnel remain in Germany—seven times as many as in Wales—and there are almost as many service personnel stationed in Cyprus as in our country.

Unfortunately, this year's figures do not include those for the estimated UK regional direct employment that is dependent on MOD expenditure, which were included in previous editions, such as, "UK Defence Statistics 2009". In the past, those figures were provided through the MOD by DASA according to country, so that we could see what was taking place—a concentration of defence spending in England, away from Wales, Scotland and the other Celtic nations. The figures in last year's statistics show that 92% of MOD employment is in England, which has 84% of the UK population, and that 1% of the employment is in Wales. There has been growing centralisation, with that figure rising from 89% of employment in England in 2003-04.

The figures are true for both equipment expenditure and non-equipment expenditure. However, our ability to be aware of those figures and scrutinise them is under threat. Instead of the Government's being accountable for changes in policy, manpower and spending in different parts of the UK, they will simply no longer publish the statistics relating to them, and, indeed, they have already stopped doing so. That was the subject of a Westminster Hall debate in July secured by my friend, the hon. Member for Moray (Angus Robertson), after the Minister for the Armed Forces initially said on the Floor of the House that such country and region statistics would continue, only for a later note to confirm that he had misspoken and the series of statistics would, in fact, be discontinued. This is a matter of freedom of information, as much as anything else. In the United States, such statistics are available to state level, and in Canada, a Commonwealth country with a similar military and parliamentary system to our own, the Department of National Defence produces similar statistics, down to provincial and even constituency level. The simple fact is that we must have open books.

The coalition agreement says

"technological innovation has—with astonishing speed—developed the opportunity to spread information and decentralise power in a way we have never seen before. So we will extend transparency to every area of public life.

The Government believes that we need to throw open the doors of public bodies, to enable the public to hold politicians and public bodies to account."

There are two specific commitments in the deal, first:

"We will require full, online disclosure of all central government spending and contracts over £25,000."

and, secondly,

"We will create a new 'right to data' so that government-held datasets can be requested and used by the public, and then published on a regular basis."

[Jonathan Edwards]

It seems almost self-evident that that transparency and openness necessitates continuing the series of national and regional data in the defence industry, so that we can easily see and scrutinise the amount of spending in the defence sector, inside and outside the UK. If we cannot see the effect on our countries of UK defence spending, how can we, as Members of Parliament, be effective judges of it? I hope the Minister will confirm that the UK Government intend to maintain the series of statistics in accordance with the spirit of their coalition deal. Diolch yn fawr iawn.

10.3 am

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): It is depressing for the second time in a fortnight to listen to one or two Opposition hon. Members talking down the Welsh economy in this context. I listened with interest in the Welsh Grand Committee the other day, and nothing much has changed. Let us look at the context, and the Opposition may take some credit for this: 180 companies currently dependent on the MOD in Wales, 25,000 jobs, £220 million of expenditure and £250 million put into the local economy.

I am a beneficiary of that expenditure in Carmarthen West and South Pembrokeshire; we have a great but small MOD establishment at Castlemartin camp. I am hoping for some good news, as the closure of certain tank training ranges in Germany might bring some positive benefits to the area. We have a small MOD establishment at Penally, upon which the local community heavily depends. We have an independent weapons training centre at Pendine, which is crucial to MOD development, not only in Wales but across the UK, and we have at least one very decent Territorial Army unit based in Carmarthen.

I should declare a slight interest in that I served in the Territorial Army for a number of years, and very good years they were too. I acknowledge the comments made by the hon. Member for Swansea East (Mrs James) about the colleagues I used to deal with back in those days. What a different place it was then—the most dangerous place I ever went to in the TA was Warminster. Now the regiment with which I served goes to a lot more dangerous places than that. Not only do the local soldiers contribute to the Territorial Army in west Wales, but so, too, do their employers, which let them off work without concern for what effect it might have on their businesses, day after day, week after week, and weekend after weekend. In the interests of the nation, they gladly let these guys go off to train. Those are all positive things, which the MOD and wider armed service community bring to our local area.

Geraint Davies: I am bemused. Surely the hon. Gentleman should be calling for greater investment on behalf of his constituents to bring jobs and prosperity to his constituency rather than supporting cuts. I cannot understand this.

Simon Hart: I thank the hon. Gentleman for his intervention. He troubles me, because, surely, defence of the realm is the most important thing on which to base our decisions in this context. Delightful though it is, this is not a job creation scheme. This is about defending the nation in the context of an extremely complicated and rather depressing financial background and the £38-billion black hole in defence procurement spending, with which we were left.

Chris Bryant *rose—*

Geraint Davies: Is it important today to back the deficit and cuts generally, ignoring the difference between investing in our strategic interests for the future to defend our country and spending? Clearly, this is all about cuts and not the interests of the hon. Gentleman's constituents.

Simon Hart: I could not disagree more: the point I made about Castlemartin is valid in this context. Of course I have been in touch with the Secretary of State for Defence and the Minister about the future of that depot and others.

Chris Ruane: Will the hon. Gentleman give way?

Simon Hart: No. It is simply not possible to have this conversation as if the UK economy did not exist. We have to operate within the context of the wider economic circumstances in which, for whatever reason, we have been placed. That is where we are. Of course the decisions have to be taken with local interests in mind, but, ultimately, as the Minister said earlier, surely this has to be about defence needs in that wider context.

Albert Owen *rose—*

Chris Bryant *rose—*

Simon Hart: The choices are almost too tempting. Who was first? I believe the hon. Member for Rhondda (Chris Bryant) was the patient one.

Chris Bryant: I had almost given up on the hon. Gentleman, but now I am on my feet I am grateful to him for giving way. He referred to the completely fallacious figure of £36 billion—or he may have inflated it to £38 billion. The National Audit Office made it clear that if there was a gap at all, it was of £6 billion. He should not perpetuate these myths.

Simon Hart: The hon. Gentleman will be pleased that I am able to quote. The black hole of £38 billion in unfunded procurement commitments to which I referred is from an MOD brief, post-SDSR defence SB, from 19 October 2010. If that is good enough for the MOD, it is good enough for me. I am sorry that it is not good enough for him.

Mr Robathan: My hon. Friend is making a very powerful case. The figure is not fallacious; the MOD budget was projected to be overspent by £38 billion over the next 10 years.

Chris Bryant: Drivel.

Mr James Gray (in the Chair): Order.

Mr Robathan: It is not drivel. My hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) knows that the previous Labour Government

were planning cuts across the board, throughout Government spending, of 20%. Hearing people defending such matters does not go down well.

Simon Hart: I thank the Minister for his intervention.

Let me turn briefly to St Athan. It is not my normal habit to come to the defence of my hon. Friend the Member for Vale of Glamorgan (Alun Cairns), but he is actually in the Vale of Glamorgan today, where he is working hard on behalf of his constituents.

Chris Bryant: How do you know?

Simon Hart: Like my hon. Friend the Member for Salisbury (John Glen), I am not, sadly, in possession of the diary of my hon. Friend the Member for Vale of Glamorgan. *[Interruption.]* I wish I had not bothered to do this. However, nobody can doubt my hon. Friend's commitment to the future of St Athan. *[Interruption.]* I would love to continue, but if anybody wishes to intervene, they can do so.

Chris Ruane *rose—*

Simon Hart: I am sorry that it took such a long time to give way to the hon. Gentleman—it is nothing personal.

Chris Ruane: What could be more important to a Member than defending a £20 billion investment in their own constituency?

Mr James Gray (in the Chair): Order. Before the hon. Gentleman answers, let me say that it is a long tradition of the House that we do not discuss Members who are not present in the Chamber unless we have given them notice that we intend to do so. This particular discussion is not necessarily central to our debate on defence spending in Wales, and I suggest that the hon. Gentleman returns to the main topic under discussion.

Simon Hart: Absolutely, Mr Gray. I apologise for coming—unnecessarily, as it turns out—to the defence of my colleague.

Huw Irranca-Davies: Will the hon. Gentleman give way?

Simon Hart: No, I want to make a wee bit of progress. Fun though these exchanges are, they will come to an end in the very near future.

The facts are these. As I said earlier, one of the depressing features of the Welsh Grand Committee—I will be reprimanded again in a minute—is the extraordinary denial about the past 13 years; it is as if they never existed. The truth is that Metrix simply could not deliver what we hoped on time or on price. If there is a difference between the previous and the current Governments, it is that the current Government are not prepared to go down the road of signing off, willy-nilly, contracts that we can justify neither financially nor in the context of defence.

Huw Irranca-Davies: I genuinely thank the hon. Gentleman for his clarity and honesty, because we are seeing a complete volte-face from the Conservative party's position before the election, when there was cross-party sign-up and support for the Metrix bid and the MOD's analysis of it. The hon. Gentleman has now made it clear that the bid did not stack up—not in terms of the MOD's priorities, but in terms of spending, and that is a tragedy. We now know that if we argued for the Metrix bid for St Athan, we would not have the Conservative party's support.

Simon Hart: I thank the right hon. Gentleman—I think he is right honourable—for his contribution.

Huw Irranca-Davies: I would like to be, but I am not right honourable yet.

Simon Hart: It is only a matter of time. Despite that, I do not agree with a word that the hon. Gentleman said. The Government faced some extremely difficult choices—hon. Members have heard that expression before—in the context of not only defence spending, but every other form of inward investment in Wales. The evidence speaks for itself, and the Minister will no doubt put us right. We should also not allow ourselves to be tempted into believing that this is somehow the end of the road for St Athan, because it has been made perfectly clear that it is not. However, we will hear more about that, and I do not want to steal the Minister's thunder.

I said that this would be a brief contribution, although it has been slightly longer than I had intended. However, as an ex-serviceman on the very fringes of the military, I think it is simply nonsense to believe that decisions can be taken on the basis purely of local need or local economic considerations, rather than the nation's overall defence needs in the overall context of the UK economy.

Mrs Moon: Will the hon. Gentleman give way?

Simon Hart: No. I am coming to an end.

We are holding the telescope to the wrong eye if we think the nation can proceed in that way economically or in a defence context. I am delighted that we are facing up to that issue, because Labour Members have not done so before. That depresses me, and every intervention by a Labour Member has simply confirmed my fear that they are prepared to take decisions with no possible concern for the economic, local or defence consequences.

Mrs Moon. Will the hon. Gentleman give way?

Simon Hart: No. I will finish now. I am sure that the hon. Lady will then have the floor.

To end on a lighter note, there is one decision on which I commend the previous Government: they ensured that the Welsh Guards regimental goat, William Windsor, survived their various assaults on the armed services in Wales. However, it is all very well the hon. Member for Swansea East referring to the many letters that she may have received from satisfied servicemen's families. I do not know what world she inhabits, but I can assure her that, in the world that I have been inhabiting, I have had personal contact year after year, month after month, and day after day with people who are in the service of our country abroad who have been begging for some small improvement in their lot. They are deeply frustrated by the inactivity or incompetence—I do not know which—that, I am afraid, epitomised 13 years of Labour rule for those who happened to be armed servicemen.

Several hon. Members *rose*

Mr James Gray (in the Chair): Order. A further seven or eight hon. Members are trying to catch my eye. According to my elementary arithmetic, that means that they will have three or four minutes apiece. It would be courteous if hon. Members could keep the length of their contributions down to something of that order.

10.15 am

Albert Owen (Ynys Môn) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. I want to distance myself slightly from something that the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) said. This is a serious debate, and Labour Members do not see it as fun. Wales is strategically important for defence training and the security of the whole United Kingdom, and Labour Members are proud of the investment that has gone into enhancing that capability over the past 10 years. The best pilots in the world are trained in Anglesey, and they are there because of the strategic importance of its RAF base. Those facts do not bear out any of the hon. Gentleman's points.

I pay tribute to the Welsh personnel who serve in the armed forces and who serve overseas. Like my hon. Friend the Member for Swansea East (Mrs James), whom I congratulate on securing the debate, I think it is important also to mention those behind the scenes who are involved in setting up operations. Similarly, it is important to mention the Territorial Army, and that is one thing on which I agree with the previous speaker; Wales makes one of the greatest contributions of volunteers, and I pay tribute to them. I am sure that the Minister will join me in that.

Defence spending in Wales is vital to defence training in the whole United Kingdom and to the important role that that plays in NATO. The United Kingdom is part of NATO, and plays an important defence role in that context. However, we need commitment and sustainability for the future, and that is what the debate is about.

I am concerned that the strategic defence and security review was conducted in a hurry. It was done just before a comprehensive spending review and was, frankly, caught up in it. I would rather that decisions had been made in the cold light of day, based on strategic defence requirements, than in the heat of a comprehensive spending review. The strategic defence and security review must be bolder and look at broader issues. It must look at least a quarter of a century ahead. I welcome the Government's five-year review, which is important, because things change. The threats to the United Kingdom change considerably, and we do not know where they will come from in the next three to four years, let alone the next 25 years. I therefore agree with the idea of a five-year review.

It is important that the Minister tells us what impact the departure, in my constituency, of 5,000 air personnel from the RAF would have on defence spending and defence personnel in Wales.

John Glen: Will the hon. Gentleman give way?

Albert Owen: I will give way briefly, but I am aware of the time constraints.

John Glen: If the hon. Gentleman is so supportive of a regular review of defence spending now, will he tell us why there was not one between 1997 and 2010?

Albert Owen: Actually, I have lobbied on these issues. If the hon. Gentleman knows me, he will know that there is no difference between my criticisms of the Labour Government and of the current Government when I think that they are wrong. I think the current Government are wrong to have carried out the review so quickly. There is a window of opportunity to review things in five years, but that might be too late—that is the risk. We should have taken about 18 months to have a proper defence review. Whichever party was in office, the comprehensive spending review would have had to be done, and there would have had to be cuts, but we could have seen things in the cold light of day and had those strategic defence reviews in the future. That is my point.

I am conscious of the time, and had wanted to speak a bit longer than I will now be able to, because the subject is very important to Wales and my constituency. As the Minister knows, RAF Valley is in my constituency and is a centre of excellence for fast jet training with Hawks. There has been huge investment there in the past 10 years. Only last week a new building was opened, which will house the new Mk 2 jets. They are fantastic equipment and I am proud that they are British and will be part of our defence training.

The search and rescue headquarters is also based at RAF Valley. I was not 100% keen on the decision of the previous Government about part-privatisation, but I did understand the need to harmonise Navy and RAF helicopters, and, indeed, the Maritime and Coastguard Agency search and rescue, and bring them together. That decision—with billions of pounds of private investment coming into it—has been put on hold, and that will have a considerable impact on defence expenditure in Wales and my constituency. I am concerned about it and would like the Minister to clear up the matter of whether we shall continue with a part-privatisation, or whether there will be full privatisation. The uncertainty is affecting the morale of people employed in my constituency, who include a very famous member of the royal family, Flight Lieutenant Wales; that has got some attention.

The base is strategically important for search and rescue. If the part-privatisation had gone ahead, RAF Valley would have been the first base for such training in the whole United Kingdom. That would have been massively important to the local economy of north-west Wales, and the rest of Wales. I want some answers from the Minister about that, if possible. It is hugely important, and the base is there not because of job opportunities but because of Anglesey's strategic importance to the United Kingdom. The base has an excellent record.

As to the strategic defence review itself, the impact that the loss of 5,000 personnel from the RAF alone will have on Wales is important. I do not believe everything that I read in the newspapers, but I was very concerned—I want the Minister to deal with this if he has the opportunity—to read an article in *The Sunday Times* of 28 November with the headline "Cuts leave RAF with fewer jets than Sweden". I do not know much about Swedish defence, but I know that Britain trains and provides the best fighter jet pilots in the world, and I

want that to remain the case. The article continues to say that many of the smaller NATO countries—and on the graph we are one of the smallest NATO countries with military fighter attack—would use a NATO base in Texas. I am happy to acknowledge the contribution of the Americans, but I do not think that their pilots are as good as ours. We need European and British involvement in NATO, and I cannot see why we cannot enhance our bases here, and get more Americans and Canadians. Canadians, Indians and Saudis come to RAF Valley now to train.

Billions of pounds have been invested in strategic defence. Hundreds of millions have been invested in the past 10 years in RAF Valley. I want that to continue. There are 1,500 personnel there, both civilian and military. It is top quality. It is a centre of excellence, not just in this country, but in the world. The search and rescue headquarters has people coming from all over the world, including Hong Kong, to see what we do, because we do it best. I am concerned that the strategic defence and security review, coupled with the comprehensive spending review, could undermine that and have a huge impact on strategic defence, and on local economies in Wales.

10.23 am

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I am grateful for the opportunity to speak in this feisty and entertaining debate. I thank all hon. Members who have taken part and congratulate the hon. Member for Swansea East (Mrs James) on securing it.

As hon. Members can probably tell, I am not a Welsh speaker or, for that matter, a Welsh Member of Parliament. I represent Plymouth, Sutton and Devonport, one of the finest naval bases in the country. I am struck by the fact that no one seems to have mentioned at any length during the debate the financial position that the coalition Government found they were in when they came to power. [HON. MEMBERS: "Oh!"] I know that it is something we would all like to try to ignore, but unfortunately it is an issue that must be tackled. Whether hon. Members believe it or not, when the Government came to power they found that they had a £38 billion shortfall in the Ministry of Defence budget. At some stage that had to be dealt with. I realise that there are some who may feel that we do not need to tackle that issue at this stage of the game, but the civil servants who gave the coalition Government advice are the same ones who were in post prior to the general election, and they gave that advice to the Labour Government.

Albert Owen: I think that we need to kill this myth. We are talking about strategic defence for the next 25 years, not an economic cycle. Is the hon. Gentleman honestly saying that the Government are setting their priority for the defence of the nation within that five-year cycle?

Oliver Colvile: I wrote, during the run up to the strategic defence and security review, my own submission, in which I said that we certainly needed to re-order our priorities, and that defence was No. 1 of the two issues that I thought were important, along with long-term care for the elderly, which I still think is a very important issue for us to deal with. However, we are where we are. None of us came into the House to vote to cut defence expenditure. I for one will continue to campaign to ensure that my constituency stays firmly up in its position alongside other such places.

Before I go any further I pay tribute to the Welsh servicemen who have served in Afghanistan and Iraq, and those who have served in the Falklands, along with many Royal Marines from my constituency; no one should underplay the contribution they made.

Plymouth, Sutton and Devonport has, in the past 10 years, had similar concerns about what would happen to it to those outlined by hon. Members. Frigates were potentially to be moved to Portsmouth—

Mr James Gray (in the Chair): Order. That is not about Wales.

Oliver Colvile: If I may say so, Mr Gray, there is a similarity with some of the issues that affect Wales.

Mr James Gray (in the Chair): Order. Similarity is not enough. The debate must be about defence spending in Wales, and not about Plymouth, Sutton and Devonport, close as it is to the hon. Gentleman's heart.

Oliver Colvile: The issue of where in the United Kingdom public expenditure will go must be taken as a whole.

Nick Smith: With respect, the hon. Gentleman is the second Government ringer who has been brought into the debate this morning. We need to talk about the defence of this country in Wales, and not to hear about his constituency.

Oliver Colvile: Fine. What I will say is that Wales has a significant part to play in the defence of our country, as have other parts of the United Kingdom, including my area. I should be interested to hear from the Minister not only what action he will take on issues to do with various bases in Wales, but what activity there will be in Wales to ensure that there are combat stress facilities, and similar things. We should not be talking just about investment in defence procurement and infrastructure. We need also to ensure that our servicemen and women, who have done such a good job for our country, have the opportunity to be well looked after, when they have done their time with the services. I ask the Minister to consider that and set out what is being done.

Debate on the subject will continue for some time, and I welcome the decision to have regular reviews. I will be fighting from my perspective, and I have no doubt that Opposition Members will do so from theirs. It is up to us to see who shouts loudest and puts forward the best case for the Government to listen to.

10.29 am

Chris Evans (Islwyn) (Lab/Co-op): I congratulate my hon. Friend the Member for Swansea East (Mrs James) on securing the debate. Even in a debate about defence spending, we cannot talk about defence without paying tribute to our brave men and women fighting overseas. I stood, like many other hon. Members, at cenotaphs in St Fagans, Pontllanfraith and Cefn Fforest in my constituency, and Maes-y-cymer, where we paid tribute to our war dead. We should always keep them in mind when we talk about defence.

I want to focus on the effect of defence spending on the wider economy. The defence footprint in Wales is massive and hugely underestimated. I often liken it to

[Chris Evans]

the car industry. There is no Welsh car but our supply chain, which manufactures components for cars, has a massive effect on the car industry. About 2,300 people work in defence in Wales; £250 million is spent by the Ministry of Defence with firms in Wales. My hon. Friends the Member for Swansea East (Mrs James) and the Member for Ynys Môn (Albert Owen) discussed St Athan, the training college, and made an important point about RAF Valley. A delay in one thing has a knock-on effect on the economy. With the promise of an MOD contract, firms ask to borrow money from banks. The bank manager will ask when the contract is arriving. They wait and wait, but still nothing. What happens is that the firm goes to the wall, the contract is eventually awarded by the Government, but there is no firm to produce the components needed.

That strikes at the heart of the problem with this Government at the moment: a real lack of understanding of economics. The idea that the public sector and the private sector should be separate is absolutely wrong, and if anywhere that can be shown to be the case, it is in the defence industry. Ian Godden, the chairman of ADS, the British aerospace and defence industry body, has warned that the British defence industry will halve in size from 10% to 5% of the UK's manufacturing output. The main customer for the defence industry is the Government, who have the power to shrink or grow the sector. Unfortunately, they have made the decision to shrink it. It is not about cutting an aircraft carrier or a tanker; it is about cutting investment for the future. That is the problem with defence cuts.

Guto Bebb (Aberconwy) (Con): The hon. Gentleman appears to be making the case for defence spending to be used as an economic development tool, which contradicts the comments made about the need for a strategic defence view of the world. In the context of arguing for defence spending as an economic development tool, can he justify why for the past five years—between 2003-04 and 2007-08—defence spending in Wales was less than 1% of the total under the Labour Government?

Chris Evans: I will come to that point when I discuss General Dynamics in my constituency.

This is about the knock-on effect on the economy. If a major defence contractor comes to a constituency—as we have been lucky enough to experience in Islwyn with General Dynamics UK—the knock-on effect is amazing. GDUK came to Islwyn, because Government encouraged it to invest in the community, and we are glad that it is there. If we look at the knock-on effect, a ground-breaking innovation centre—the EDGE facility at Newbridge—has been set up to enable small and medium-sized enterprises to transform innovative ideas into products fit for market. The centre acts as a springboard for new IP—intellectual property—providing a collaborative environment where the MOD, Britain's leading universities and high-tech SMEs are able to conduct rapid testing of new advances in technology.

That is the reality of defence. GDUK is a Welsh success story. The battlefield communication, Bowman, was developed in my constituency. The company has sent technology all over the world and has invested in upskilling its workers. The company takes the view that that would have been impossible without the support from Government for its successes. The fact is that once the technology is cut, it never returns. That is what we need to see when we are talking about defence. I have kept my comments short in order to allow other speakers an opportunity to make a speech..

10.33 am

Mrs Moon: It is highly appropriate that you are chairing this Committee, Mr Gray, given your knowledge and experience in the field of defence.

As a newly appointed member of the NATO Parliamentary Assembly, I have recently discussed with members across Europe their view that the British defence and security review was rushed. That is not just an impression in the UK, but across NATO, where there is concern at the result of the cuts for European defence.

We are here to look specifically at the impact on defence in Wales. I recall a statement of my mother's that she threw at me many a time: "Decide in haste, repent at leisure." That is the situation with the strategic defence and security review—a decision that is going to impact dramatically on our sovereign capability, our skills capability and our financial—

Oliver Colvile: The Labour Government were in power for 13 years yet, after the initial period, they failed to produce a review. Why did they not have a review much sooner, as the coalition Government have had?

Mrs Moon: The Labour Government held a number of reviews, but not full defence and security reviews. There was a constant review of our capability, which had to take place because of our involvement in Afghanistan. I do not think anyone can say that the Labour Government failed to review and assess constantly the needs of our armed forces.

I want to focus on the issues of sovereign capabilities and skills capabilities in the defence industry in Wales. I am particularly concerned that we are not looking at the impact of cuts on our long-term capacity to protect our troops with the equipment and the platforms that they need. Prime contractors are represented in Wales, as colleagues have mentioned. Defence manufacturers based in Wales include EADS in Newport, General Dynamics in Islwyn and Thales Optics in St Asaph. For every job created by the industry, 1.6 jobs are created elsewhere in the economy. It has been calculated that a £100 million investment in the industry creates 1,885 jobs throughout the UK economy, 726 of which will be directly in the defence industry.

I want to focus on the role of SMEs in the defence sector in Wales, and to make the case for supporting and nurturing them in the months and years ahead. According to research from the Defence Industries Council, there are more SMEs in the UK defence industry than in the French, German, Italian and Spanish industries combined. Interestingly, General Dynamics—in the constituency of my hon. Friend the Member for Islwyn (Chris Evans)—said in evidence to the Select Committee on Defence:

"GDUK believes passionately in building a strong supply chain based on British companies, and in particular SMEs; and we practise what we preach. 70% by value of our work on Bowman is undertaken by British companies."

The Bowman programme is based in south Wales. In the same evidence, GDUK stated:

"We took a deliberate decision to concentrate that growth on south Wales. Following the recent signature of the contract for the Demonstration Phase of the Scout Platform, we expect the size of our work force to grow steadily over the next three years, again with much of that in south Wales."

We have to remember that the impact of the growth of General Dynamics will rely strongly on 70% of SMEs being financially capable of surviving the current round of cuts and insecurity around contracting coming out of the MOD.

Guto Bebb: It would appear that we are again receiving a lecture about the role of defence spending in economic development. I am bemused by the fact that between 2003-04 and 2007-08, defence spending in Wales fell from £430 million to £390 million under the Labour Government.

Mrs Moon: The hon. Gentleman is trying to turn the whole debate. I am frightened by the debate, because the Government seem not understand that our defence capability relies on the defence industry being able to provide the equipment, and on our having the skills and the sovereign capability to provide our troops with the ability to defend this country.

John Glen: Will the hon. Lady give way?

Mrs Moon: No, I am not giving way again; our time is severely limited and I want to make progress.

I have made contact both with SMEs that form part of the supply chain of equipment to the MOD and with the large companies that I mentioned earlier. In my constituency, I have TB Davies, AMSS Ltd, Spectrum Technologies and TES Aviation, all of which are not only vital to the economy of Wales and of my constituency but provide the skills base that allows the MOD to provide the platforms needed by our armed forces.

It would be irresponsible not to consider the implications that the loss of the skills of the SMEs based in Wales would have for our prime contractors; we should remember that 70% of the work of those main contractors is allocated to SMEs. If we do not protect those SMEs, if we do not consider that skills base, if we do not consider our sovereign capabilities, we will put the defence of this country at severe risk.

10.41 am

Mr Russell Brown (Dumfries and Galloway) (Lab): I congratulate my hon. Friend the Member for Swansea East (Mrs James) on securing this debate. I put on record a point that has been made by Members on both sides of the Chamber: we should continue to pay tribute to our armed forces personnel for the job that they do, often in extremely difficult circumstances. Of course, they are backed up and supported by civilian personnel, who provide their own area of expertise.

We had a full debate on the strategic defence and security review on 4 November. The last thing that we want this morning is a re-run of that debate. That is not what today is about. It is a real opportunity to show just how much defence spending means to Wales as a nation. I hope that Labour colleagues, at least, will accept that as a Celt, I recognise what defence spending means in Wales, and in Scotland and every other part of the United Kingdom.

Nick Smith: Does my good friend agree that what we heard from Members on the Government Benches today was a shameless misrepresentation of Labour's position? Labour in Wales is standing up for the defence of our country, while recognising that employment is important to our constituencies. All that we had from the other side was a couple of defence ringers, who did not properly recognise our emphasis on our country's defence.

Mr Brown: I thank my hon. Friend for that intervention. I hope to cover some of the points that have been raised this morning, and I shall comment on that.

It is pretty clear that military establishments and bases are dotted across the entire UK. It must be recognised that those facilities become part of day-to-day life in those communities, whether through a sense of pride in being associated with the defence of our country, or simply because of the employment opportunities that they may bring. Frankly, whatever the reason, it all matters.

I want to quote from the debate of 4 November, because comment has been passed on the manner in which the strategic defence and security review came about. The quotation, from *Hansard*, is:

"The strategic defence and security review was an opportunity to reshape the UK's military force in that changing global security landscape. Unfortunately, according to the Royal United Services Institute, 68% of the defence and security community felt that it was a 'lost opportunity for a more radical reassessment of the UK's role in the world'." [*Official Report*, 4 November 2010; Vol. 517, c. 1074.]

Many of us, including all Labour Members, have said that it was far too quick. The previous full review under the Labour Government took some 15 months to complete.

Chris Bryant: I hope that my hon. Friend will make it clear that there has been another loss of opportunity in relation to the St Athan defence technical college. We supported it not primarily because we wanted investment in Wales but because we wanted to improve training for our armed forces. So many of our young men and women go into the armed forces, and we wanted to make sure that their lives were protected and that they had the best training possible.

Mr Brown: Absolutely. I shall come to that later, but I have to say to my hon. Friend that I could not have put it much better. Until now, at least, there has been more than a fair degree of consensus on what was to happen at St Athan. It is somewhat disappointing that we are not getting the same feeling today.

Mrs Moon: Is my hon. Friend aware that the Select Committee on Defence carried out a full and thorough inquiry into the proposed training academy at St Athan, and felt that it was the right place for it, and that it was the right activity to carry out there?

Mr Brown: My hon. Friend is an extremely knowledgeable member of the Select Committee, and is exactly right; indeed, the hon. Member for Salisbury

[Mr Russell Brown]

(John Glen) indicated the same thing at the start of his speech. It basically made sense, and the Select Committee gave it full backing.

John Glen: I said that the Defence Committee's report was pretty clear about the SDSR being undertaken in the wrong circumstances. I did not mention the report on St Athan.

Mr Brown: I clearly picked up from the start of the hon. Gentleman's contribution that St Athan, and what was previously proposed on a cross-party basis, made sense. However, *Hansard* will show what was said.

We see uncertainty in the questions that are being tabled, whether on departmental redundancies, rescue services or the level of savings. This morning, in contributions from both sides of the Chamber, we have heard that that uncertainty still exists. We need to be clear about where we are going with St Athan. I am not convinced that the Minister will be able to tell us today, but indications are that we might hear in the spring. For all concerned, I sincerely hope that we will have a clearer idea by then.

A question was asked about what that uncertainty does for communities. The debate is about defence spending. It is about investment. It is about the future of our armed forces, and what we are best able to do to serve those who serve the nation in difficult circumstances. They do not need uncertainty. My hon. Friend the Member for Bridgend (Mrs Moon) made the valid point that small and medium-sized enterprises in many communities play a vital role. Uncertainty about where we are going can destroy SMEs, a point made also by my hon. Friend the Member for Islwyn (Chris Evans). Delays lead to economic uncertainty.

The figure of £38 billion was mentioned once again. I wish to make it abundantly clear that that sum was never to be found in any document. The figure that was spoken of came from page 22 of the MOD major projects report of 2009, which mentioned £6 billion over 10 years. The only way that that £6 billion could become £38 billion was to assume that there would be no increase in Britain's defence budget until 2021. That was never going to be the case under a Labour Government, and I sincerely hope that it was never going to be the case under any coalition Government. In fact, there was a 10% rise in defence spending between 1997 and 2010. In this country, defence spending consistently formed 2.5% of GDP – one of the highest levels in the world, so it is not that we scrimped at all.

I appreciate that I need to allow time for the Minister to speak. I am only sorry that I cannot give him more time. Members on the Opposition Benches have been clear this morning: they want more certainty on the matter. Let me finish with something that was said by the hon. Member for Plymouth, Sutton and Devonport (Oliver Colvile) – he and I sat together at a dinner a couple of weeks ago. There was almost an admission from him that this rushed strategic defence and security review was financially driven; it was not in the best interests of our country, our defences or those who serve in foreign lands.

10.51 am

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): This is the first Westminster Hall debate to which I have contributed in the past five years. It is a pleasure to be here and to be under your chairmanship, Mr Gray. I congratulate the hon. Member for Swansea East (Mrs James) on securing the debate. She spoke about the effects that choices on defence spending can have on regions of the United Kingdom, and I hope to return to her words shortly.

There has been some suggestion that the Government are, in some way, anti-Welsh; that they have their daggers out for Wales. That is absolutely not the case. Let me give my own credentials. My great-grandfather and great-great-grandfather were doctors in Islwyn, in Risca. My grandfather was headmaster of Llandaff Cathedral school.

Chris Bryant: So what?

Mr Robathan: I am just saying that I am not Welsh- *[Interruption.]* Rather, I am not anti-Welsh. The name Robathan is Welsh. In fact, in Islwyn, there are many Robathans in the telephone book. I had a great-uncle in the Welsh Guards, and another great-uncle who was killed at Gallipoli.

Chris Bryant: That has nothing to do with it.

Mr Robathan: The hon. Gentleman is always full of hot air. If he could listen for a bit, he will hear what I have to say about some of the comments that have been made. I also had a great-uncle in the Welch Regiment who was killed at Gallipoli. I would rather not be accused of being anti-Welsh. I can promise that I have spent more time on the Brecon Beacons in the driving rain and snow and in Sennybridge than most people in this Chamber, possibly with the exception of you, Mr Gray, and my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart). I have also climbed from Capel Curig adventure training camp. Those are all the military assets in Wales that I have used in my life. I would rather not hear the suggestion that we are anti-Welsh. This is the first Welsh debate in which I have taken part, because I am not representing Wales.

Let me pay tribute to all the civilians who work for the MOD and in defence projects in St Athan and elsewhere in Wales. I should also like to pay tribute to all the armed forces who are based in Wales or who are from Wales. Indeed, I support anyone who supports the defence of the United Kingdom from wherever they come.

I have been surprised by this debate because I have found it extraordinarily narrow and partisan *[Interruption.]* Did the hon. Gentleman say because it is Welsh? I find it astonishing. The hon. Member for Swansea East compared the desecration of war memorials in her constituency with the fact that we are not proceeding with the Metrix bid at St Athan. I can see no relationship there at all; I do not believe that her constituents or people outside will, either.

Hon. Members have spoken about the SDSR, but let me be quite clear about it. Across Government, we have faced the worst financial and economic crisis that anybody

in this room has seen in their lifetime. *[Interruption.]* It is no good groaning. The hon. Member for Rhondda was a Minister in the previous Government and he knows that it is true.

We are currently borrowing £143 million a day. In terms of defence in Wales, that would buy, every week, three Type 45 destroyers. *[Interruption.]* Do they never go to Welsh ports? It is not fallacious, as the hon. Member for Rhondda said—*[Interruption.]* Gosh, he witters. It is not fallacious that the defence budget was overspent by £38 billion; it is true.

Let me turn briefly to some of the remarks that have been made. First, the hon. Member for Swansea East quite reasonably wants to hear about St Athan. One of the biggest decisions that the Ministry of Defence had to take was on the defence training rationalisation programme. We have heard at length about its cancellation. Put simply, that project, in the guise that it was in, was never going to be made affordable. Despite strenuous efforts by the Department—under both the previous and current Administrations—it became clear that the bidder, Metrix, was unable to deliver an affordable, commercially robust proposal within the prescribed period. On that basis, the Defence Secretary decided to terminate the project.

We continue to believe that individual technical training co-located on fewer sites, as my hon. Friend the Member for Salisbury (John Glen) mentioned, remains the best solution for the armed forces, but not necessarily for St Athan. The SDSR committed the Government to continuing to look at options from pre-training across the services.

Chris Bryant: This is a serious point. Many of us believe that bringing together all the forces for technical training is an important part of what was suggested in the past. It has worked extremely well at Shrivenham. Who would ever have thought that the Royal Navy would be prepared to leave Greenwich? It has, and it has worked. Is the Minister still saying that he wants to achieve purple training in, we hope, St Athan or elsewhere?

Mr Robathan: As the hon. Gentleman will understand, I have to be very careful not to commit myself to things that we are reviewing at the moment. None the less, we do see a need and a sensible way forward for more purple training on some issues. Some of that may take place in St Athan and some elsewhere.

I can assure hon. Members that St Athan is still being considered; a substantial amount of training continues at St Athan.

Geraint Davies: Will the Minister give us some indication of the time frame in which we will get clarity over whether there will be a joint establishment and where it will be? Will it be in a year, two years, three years, or does he just not know?

Mr Robathan: The review does not have an end date, but I expect it to be within the next few months.

I appreciate that the cancellation of the DTR was not something that the hon. Member for Swansea East or the people of south Wales wanted to hear. The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) pointed out the rocketing costs of the DTR in St Athan. He said that in two years they had gone up from £12 billion to £14 billion. He mentioned the job losses. He said that almost half the people who were employed by the MOD 13 years ago are now not employed. He also talked about the Red Dragon hangar. The previous Government decided to build that hangar. It cost £107 million and it was to accommodate the refurbishment of 48 Tornados and Harriers. The repairs and refurbishment were cancelled before the hangar was completed in 2004; it was a complete waste of money.

The hon. Member for Ynys Môn (Albert Owen) talked about the Metrix decision being made in the context of the SDSR. He is wrong. It was separate from the SDSR and not part of our overall view. He also talked about RAF Valley. I can reassure him that RAF Valley plays a very important role in pilot training—fast jet training. If there are changes, we will keep him informed. He is also welcome to write to me, and I will write to him if changes come up.

The hon. Gentleman talked about Texas. I have to say that the weather is generally better there than in Anglesey.

Albert Owen: Will the Minister tell us the position with regard to replacing Sea Kings with Sikorsky helicopters? The £7 billion contract is important.

Mr Robathan: I am afraid that I do not have the time, but I will write to the hon. Gentleman.

In conclusion, the previous Government let down the United Kingdom. They let down United Kingdom defence and they let down Wales. I was told today that Labour was standing up for defence. It has not been standing up for defence in Wales but for narrow partisan interests. Frankly, it is a scandal. We will not make defence decisions based on regional party political advantage, or on the advantage of the Principality; we will make a clear-headed assessment on what is best for our armed forces, the United Kingdom—including the Principality—and its defence.

Football Grounds (Regulation)

11 am

Nic Dakin (Scunthorpe) (Lab): It is a real pleasure to have this debate under your chairmanship, Mr Gray. When I submitted my request for this short Westminster Hall debate, the title had the words "Keep Scunthorpe Standing" in it. The Table Office informed me, in its own inimitable way, that that was sloganeering and would need to be improved. Hence the title that we have today. Nevertheless, it is on Scunthorpe United that I wish to focus my attention. I should certainly declare my interest as a season ticket holder at Glanford Park, albeit in the seated Grove Wharf stand.

Before I go further, let me take the opportunity to praise all associated with Scunthorpe United. It is a small club that, despite a recent run of results that we would rather forget, is punching above its weight. It has, in Steve Wharton, a chairman who, like his father before him, has run the club sensibly and in a businesslike manner that some might say could be a model for other clubs up and down the land.

Scunthorpe United is not a club that changes its manager every five minutes. Instead, it grows managers out of its coaching personnel. It has been well served by Brian Laws and Nigel Adkins, and it is now being well served by Ian Baraclough. They have built good teams out of scarce resources, and the players are to be applauded for their achievements in recent years. Having said that, the "team" of a football club includes all the other staff who work day-in, day-out, to make all the backroom activities happen, and those other staff at Scunthorpe United are also brilliant.

Scunthorpe United is a club rooted in its community that does excellent work in education through its "Study United" programme, and it takes on apprentices each year as part of an ongoing commitment to sports development. It also has loyal and dedicated fans, such as David Beverley and his colleagues, who have been working with the Football Supporters Federation on the "Keep Scunthorpe Standing" campaign.

Currently, the rules state that once a club has been in the championship for three years, its stadium must become an all-seater stadium. Everyone fully understands the awfulness of the Hillsborough stadium disaster of 15 April 1989, and the recommendations for all-seater stadiums were a key component of Lord Justice Taylor's excellent report into the disaster. There have been many significant strides forward in ground safety since that time. Thankfully the world—in terms of stadium safety—is a different place today.

The hon. Member for Bath (Mr Foster) made an excellent speech yesterday introducing his ten-minute rule Bill, in which he very ably set out all these issues. As he explained, it is perfectly possible for the United Kingdom to have safe standing in the same way that the Bundesliga does.

Mr Tobias Ellwood (Bournemouth East) (Con): I am very grateful to the hon. Gentleman for bringing this issue to the House. AFC Bournemouth is doing very well in the first division at the moment, and this issue concerns AFC Bournemouth, too. There is a change in technology, which I hope the hon. Gentleman will recognise, that makes things very different from how they were at the time of the terrible events at Hillsborough, to which he referred. I hope that that change in technology is something that we might be able to embrace, and I hope that we will say, "Can we actually introduce this now?"

Nic Dakin: The hon. Gentleman is absolutely right, and I compliment AFC Bournemouth on the good season that it is having. He is right to draw attention to changes in technology and stadium management, and more modern methods of properly policing football grounds and ensuring fans' safety. Those are the issues that we need to look at. The rules on all-seater stadiums need to be revisited for modern times. There should be no compromise on safety, but there should be common sense. If Scunthorpe's standing capacity has been safe for all these years and appropriate safety management is in place, there is no strong argument for replacing it with seating.

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman agree that, although it is very important to have safety, it is surely not impossible to marry safety with the finance available? Finance has to be a key factor for any football club and any football ground at the present time.

Nic Dakin: I absolutely agree with the point that the hon. Gentleman is making. Safety is crucial and should never be compromised, but there also needs to be a sensible way forward. In these difficult financial times, that is very important. The Glanford Park terracing has stood for more than 20 years. It is under threat solely because the football team has been successful. It is my contention, and that of the Football Supporters Federation, that Scunthorpe United and its supporters should not be penalised and lose the safe standing option because of the club's success.

If the current rules are adhered to, a very small club will have to spend significant amounts of money during these difficult financial times to convert the safe standing area into seating. That would mean that the club would have the invidious choice of paying even more for a larger seating area, to maintain the maximum ground capacity of around 9,000, or reducing the ground capacity significantly.

Seating the Doncaster road end would reduce Glanford Park's capacity by about 1,000. That would mean fewer tickets would be available for big games, such as the recent Carling cup game against Manchester United or the forthcoming FA cup visit of Everton. In turn, that would mean more disappointed fans and less revenue for the club. There is a danger that such a move would harm the club because it would be forced to divert its limited financial resources and energy into redeveloping the stand; that money would be better spent on improving the team or enhancing the experience of supporters.

Andrew Percy (Brigg and Goole) (Con): I congratulate the hon. Gentleman on securing this debate and, as he is obviously aware, Glanford Park is in my constituency and I am delighted to work closely with him on this issue. However, is there not an even more important issue here? We talk about localism a lot; this issue is about what the fans want, and what the fans of Scunthorpe

United are saying very clearly is, "Let us make our decision about what we want, and let us keep our terraces."

Nic Dakin: The hon. Gentleman is exactly right in many respects. It is important to listen to what local people and local fans are saying. However, we would not and should not compromise safety. Nevertheless, it comes back to looking at this issue in the modern circumstances of today and recognising that Scunthorpe United's stadium is a 9,000-capacity ground, with average crowds of 5,000. I will just make a little more progress now before taking any other interventions.

The Football League, in its letter to the Minister for Sport and the Olympics of 22 October, stated quite clearly:

"Football League clubs, particularly in Leagues One and Two, are evidence that standing at football is safe when managed correctly."

That is a very helpful statement.

Mr Ellwood: I am grateful to the hon. Gentleman for being generous in taking interventions. It is important that safety is stressed. Cost is also critical. AFC Bournemouth is in dire straits, as are many other football clubs. The solution of allowing standing by using new technology would help. However, the point that I wanted to underline—I want to ask the hon. Gentleman if he agrees with this—is about the atmosphere that would be created by having standing capacity. Every time that a goal is scored or play builds up towards a goal, everybody ends up standing up anyway. There is a sense of atmosphere in standing areas that will encourage more people to come through the gates, which will help the gate receipts and the running of the club, from a cost perspective.

Nic Dakin: The hon. Gentleman makes a good point about the atmosphere in grounds, which is an important part of the football experience. Scunthorpe United is a well-run football club, which stays very carefully within its means. The club moved to the purpose-built Glanford Park in 1988, where the affectionately named "Donny road end" has always been a safe standing area.

That small club, with a ground capacity of just over 9,000 and average gates of around 5,000, is being caught up in safety rules designed in another age for much larger grounds. If the club remains in the championship for another year, the safe standing capacity will have to be removed and replaced with seating. That will cost money at a time when resources are scarce; it will reduce the ground capacity, and it will take away choice and enjoyment, as the hon. Member for Bournemouth East (Mr Ellwood) has pointed out, from those fans who prefer to stand. Moreover, once the ground has become all-seater, it will not be able to revert back to having a standing area, even if the club spends the rest of its life in the lower divisions.

Cardiff City was allowed to retain standing for six years in the championship league. Why should Scunthorpe United, the smallest ground in the league, not be given a similar dispensation? There are much larger grounds in the lower leagues, such as the Carlisle United grounds, that are not affected by the rules. Will the Minister examine the experience of safe standing in other parts of the world, including Germany, and review the current requirements for all-seater stadiums in the premiership and championship leagues?

Steve Rotheram (Liverpool, Walton) (Lab): I congratulate my hon. Friend on securing this important debate; it is only right and proper that the issue should be debated fully. Will he explain or tease out the assurances regarding ground safety that he outlined that will ensure that we never return to the circumstances that resulted in the Hillsborough disaster of 1989?

Nic Dakin: My hon. Friend asks an important question. Lord Taylor's report was thorough and found many causes for the problems that occurred. Standing was not one of them, but none the less, all-seater stadiums were seen as an important part of the solution. We must consider the experience around the world, particularly in Germany, whose strong record of safe standing demonstrates that it can be done. I agree with my hon. Friend that there should be no compromise on future safety in the interests of standing; we should ensure that any standing is safe standing. However, I draw attention to the fact that Scunthorpe United's ground has always had standing and has always been safe.

Justin Tomlinson (North Swindon) (Con): The hon. Gentleman has secured an excellent debate. I echo his comments about Scunthorpe club being a role model. On the point just raised, I have every sympathy with what he is saying, but I am extremely nervous. Since Lord Justice Taylor's report, safety in grounds has been improved and transformed. The prospect of a change makes me nervous.

Nic Dakin: As I have said all along, safety should never be compromised, but we need only look across to the Bundesliga to see an example of how one of the best leagues in the world manages safe standing alongside seating, using modern technologies. I agree with hon. Members' comments. I welcome the point made by my hon. Friend the Member for Liverpool, Walton (Steve Rotheram) that this is the right debate to have, but in no way should we prejudice safety in this debate. That would be wrong.

My second question to the Minister is this. Will he review the requirements that apply to small grounds such as Glanford Park, and allow the Football League to use its discretion, where local circumstances and common sense allow, to provide dispensation for small clubs such as Scunthorpe United to retain some safe standing capacity? Scunthorpe has had safe standing for its whole history, during which three England captains have played for the north Lincolnshire side: Kevin Keegan, Ray Clemence and, of course, Ian Botham. I thank everybody who has attended and contributed to this debate. Up the Iron!

11.13 am

The Minister for Sport and the Olympics (Hugh Robertson): I congratulate the hon. Member for Scunthorpe (Nic Dakin) on securing this debate and on how he has conducted it. I pay tribute to him for his work on a number of football issues since his arrival in the House, and I join him in paying tribute to his club, which has done exceptionally well. It is a proper community club in every way, and he is absolutely right to pay tribute to the current chairman and his predecessor for their

[Hugh Robertson]

running of it. It is an example of the sort of football club that we all want to encourage, and I wish Scunthorpe the best of luck for the remainder of the season.

Having said that, I remind the hon. Gentleman, as will the hon. Member for Bradford South (Mr Sutcliffe), that the Minister's powers in this area are limited. I can ask the Football League to re-examine the issue, but I could not sign an order forcing it to, even if the hon. Gentleman convinced me to do so today. The issue concerns not only many of his constituents but supporters up and down the country. As he correctly stated, the current rules go back to the Taylor report, published in the aftermath of the unnecessary loss of life at Hillsborough. He is absolutely right that that tragedy is the backdrop to this debate, and as he will know, many in his party as well as mine feel strongly about the issue. The Minister for Sport who preceded the hon. Member for Bradford South was among those who felt strongly that there should be no return to safe standing.

Having considered the basics of the case, I think that it is now generally accepted that most football grounds, for a vast number of reasons, are safer and more comfortable than they were 15 or 20 years ago, although I understand why many supporters miss the tradition, the feel and the atmosphere that some grounds had before. I checked the injury statistics for the past few seasons collected by the Football Licensing Authority. They suggest that spectators are less likely to be injured at all-seater grounds than at those that retain standing accommodation. I am aware that those statistics rely on self-reporting, which is always a dangerous statistical basis, and therefore might not provide a wholly reliable indicator of the relative injury rates, but I think that it is generally accepted across football that standing still presents a greater risk of injury, although the extent of that risk is open to debate.

Seating also offers higher standards of comfort, as is probably self-evident, and provides spectators with their own defensible spaces, which can only contribute to encouraging families and increasing the diversity of those attending football matches in recent years. I am sure that we all support that. I know that no one is suggesting that we should return to the arrangements in place 15 or 20 years ago, but I am not convinced at this stage that a compelling case has been made to change the policy on standing areas.

Mr Ellwood: I am grateful to my hon. Friend for the tone in which he is responding to this debate and for acknowledging that the power does not lie with him, but I hope that he will also acknowledge that there were other factors leading to the 1989 Hillsborough disaster. Yes, seating was one, but there were also crowd control issues, and there were no spill-over areas. The many changes that have been implemented and are now displayed every Saturday or Tuesday night mean that standing or seated, we can avoid what happened on that day. I hope that new technology might allow clubs not in the premier or championship leagues to consider piloting that idea in certain parts of the stands.

Hugh Robertson: I do not believe that the presence of all-standing areas was the contributory factor at Hillsborough; that is self-evidently ridiculous. A basket of factors contributed to that disaster, including crowd control, as my hon. Friend says. He is also right that technology has moved on considerably during that period. That said, there are also new elements of technology that rely on fans being seated—the police, for example, say that crowd control via CCTV is much easier if fans are seated than if they are standing—so the argument cuts both ways.

As the hon. Member for Scunthorpe knows, our coalition partners previously agreed a conference motion asking for the provision of some safe standing areas to be considered. I remember that the hon. Member for Bradford South and I kicked about the issue, if that is not an unfortunate pun, a year or so ago when we were on opposite sides of the House. At the urging of the hon. Member for Bath (Mr Foster), I have reconsidered the issue, as I promised in opposition we would. I have written to all the football authorities, and we are in the process of collating their responses.

I say gently to the hon. Member for Scunthorpe that he was right to quote the letter from the Football League. As he correctly said, they replied:

> "Football League clubs, particularly Leagues One and Two, are evidence that standing at football is safe when managed correctly."

But the next sentence reads:

> "However, we cannot support a retrograde step that would lead to clubs seeking to replace seating with terracing. The Football League strongly supports existing legislation."

There is a balance to be struck. We are in the process of collating football authorities' responses. I am keeping an open mind, but to be honest, there is no groundswell of opinion from the football authorities in favour of a change. I think that they are just as scarred by the Hillsborough experience as many of us who are or have been in government. That is a powerful backdrop and should always be so. There is considerable nervousness about moving, giving that backdrop.

Steve Rotheram: I think that the Minister would agree that this country has had an exemplary record since the Hillsborough tragedy, but that is not necessarily the case for the rest of the footballing world. Because of all-standing stadiums, there are tragedies all too regularly in which people are crushed to death, and it is obvious that that fear is the backdrop against which my hon. Friend the Member for Scunthorpe has put forward his proposals.

Hugh Robertson: I thank the hon. Gentleman for his intervention and, once again, for the excellent debate on football that he secured in this Chamber a few months ago. He has put his finger exactly on the issue. The matter is characterised less by people being at either one end of the argument or the other, and more by a balance of risk somewhere in the middle.

I absolutely accept the arguments that the hon. Member for Scunthorpe has put forward, and many people feel that the risk could be safely managed in such a way that retains the traditional feel of football clubs. On the other hand, a considerable body of opinion on the other side of the line would argue that there are a number of reasons why that should not happen. On the balance of opinion, therefore, and given the backdrop of Hillsborough, we must do nothing that could in any way lead to such a tragedy. That, in a nutshell, is the argument about balance that I am trying to sum up.

We have looked at the experience of other countries and will continue to do so. I am aware of the arrangements in Germany, funnily enough, because I attended football matches there when I was serving in the forces in the early 1990s. I am also aware that things have moved on considerably in the 18 or 19 years since then. The hon. Member for Scunthorpe might be interested to know that the Culture, Media and Sport Committee is planning to look at the matter in the new year as part of its wide-ranging inquiry on football governance and intends to visit Germany to look at the experience there, so the matter remains current and is being examined.

With regard to the hon. Gentleman's football club, to which I once again pay tribute for its achievements, the difficulty is that it has had three years to comply with the requirement. I understand why it does not welcome any sort of financial outlay in the current economic situation, particularly to make a correction that it does not feel is necessary on grounds of safety. However, since Hillsborough there has been a set of basic criteria governing the regulation of football. That has been lifted only once, for Cardiff City, because of a particular set of circumstances.

I can promise the hon. Gentleman today that we will most certainly keep the experience in other countries in the forefront of our minds. It is not a matter that we will review once and then drop. The fact that the hon. Member for Bradford South and I discussed that at considerable length when he was in government and I was in opposition should give the hon. Member for Scunthorpe confidence that it is something that the Government keep permanently under review. There are also pressure groups that ensure that we keep it permanently under review, and we will continue to do so. I will wait until I have received all the responses and then have some proper police advice, so for the moment I am keeping an open mind.

However, it would be dishonest not to tell the hon. Gentleman today that in my view the judgment will very much relate to the balance of opinion, and there is not a groundswell of opinion, from either the football authorities or the police, that would support a change in the legislation. For the moment, I simply congratulate him on securing the debate and on the way in which he has raised the matter. I appreciate the sensible and constructive way in which he has brought the problem forward. Most importantly, I wish his club good luck; it is a fantastic example of what we are looking for in community football. We will keep the issue under review, but I am afraid that I do not think that there is a compelling case at the moment for altering the rules, set against the backdrop of the Hillsborough disaster 20 years ago.

11.24 am

Sitting suspended.

Seaside Towns (Regeneration)

[Mr David Crausby *in the Chair*]

2.30 pm

Laura Sandys (South Thanet) (Con): It is a great privilege to serve under your chairmanship, Mr Crausby, and to see so many colleagues from all parts of the perimeter of this country here today.

I am sure that the Minister was as pleased as I was when the Prime Minister described tourism as one of the best and fastest ways of generating the jobs that the country so badly needs. For too long, it has been the Cinderella business sector. It has been ignored for many years, but the Prime Minister put it on the pedestal that it deserves.

No one would be here today if they did not recognise the value of tourism to their constituency. In Thanet alone, it is valued at £162 million a year. We want to ensure that the tourism sector grows, that the small businesses in it thrive, and that new businesses are created in our coastal regions. Tourism and the associated economic activity are critical to our future.

Coastal communities are what I call pocket economies. They do not always react in the same way as the rest of the country; they often behave counter-cyclically. When the rest of the economy was thriving in the 1980s, seaside towns, and Thanet in particular, were suffering. During the Brown boom, Thanet did not benefit from the economic vibrancy of the rest of the country. Deprivation increased, worklessness was not addressed, and property prices rose only modestly. Coastal communities lag behind the rest of the economy and, in some instances, are passed by altogether.

Coastal communities have much more in common with one another than with their prosperous neighbours. If we compare Thanet with Canterbury, which is a mere 20-mile drive away, in Thanet, average salaries are £60 a week less than in Canterbury, there is double the number of jobseeker's allowance claimants, and vacancies are 25% of those available in Canterbury. There is no guarantee that our pocket economies will necessarily benefit from any upturn in the general economy. We also have high levels of public sector jobs, and few, if any, large company employers. Currently, my constituency is the 64th most deprived district in the country—not exactly the profile one would expect in the south-east.

On a positive note, perhaps the lack of modernisation and development can deliver a unique proposition. Cloned high streets have passed us by, large hotel chains and restaurants prefer more central locations, and developers have looked for easier pickings. We are unusual and quirky, and we have personality and character—a rarity in the world which should offer us a competitive edge. Thanet has 26 miles of sandy beaches, cliffs like those in the Algarve, walks suitable at any time of the year, and architecture that rivals any in the country. It is an historic mecca: from the Romans to the Beatles, we have had it all, with every invasion other than the Norman conquest and every major war fought from Thanet's shores, and we have all the sights that go with those great British triumphs.

Two weeks ago, Thanet was nominated as one of the 12 most desirable locations in the world—can hon. Members believe that? We were celebrated in the same

[Laura Sandys]

breath as Rio de Janeiro, Santiago in Chile, and Stockholm. This week, one of our local hotels was named the best small hotel in the country, and we have many more hotels and bed and breakfasts like it. However, we need a step change. We need to change the way in which our coastal towns are perceived and marketed. Traditionally, seaside towns have been marketed as locations for the sunny summer months but, to maximise the opportunities and great visitor experiences, we need clear strategies to increase significantly our out-of-season business.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Lady on securing this debate. I represent what is perhaps an unknown part of the country in west Wales—the Ceredigion coastline. The hon. Lady is getting to the point where she is really talking about responsibility for the branding of our respective areas. I applaud local initiatives such as the Cambrian Mountains initiative, and I have hopes for the promotion of Cardigan bay. Who will be responsible for branding? Will we rely on local initiatives, or do we expect—and, I hope, anticipate—more of a lead from the centre, in particular VisitBritain?

Laura Sandys: Those are certainly questions for the Minister, but I think that what we need to do centrally more than anything else is to change the perception of seaside towns. The view is that if we put a beach on the website, the tourists will come over the summer months—and they do. Certainly Thanet does not need as much input for the summer months. However, we need to ensure that people appreciate the area whatever the time of year. I was walking on a beach with snow on it, and it was stunning. We have to understand that there is an all-year-round marketing opportunity.

Further to what my hon. colleague rightly said, we need a Minister for out-of-season marketing. Last weekend, I looked at the VisitBritain and VisitEngland websites. In many ways, they do a great job promoting this country, but it took six clicks to reach one seaside resort—Eastbourne—and no other. Under "things to do", there is no mention of seaside towns. In the packages that they present for Canterbury and Lincoln, there is no suggestion that visitors extend their stay by a couple of days to visit the beauty of Thanet or Skegness, only a few miles down the road.

I accept that this is not an obvious time to visit our beaches, but I would like to ask the Minister what he thinks about the beaches in Weston-super-Mare at this time of the year. Would families not love to visit the SeaQuarium in Weston-super-Mare on their way to Wookey Hole? We need to ask our tourism marketers to be more creative about the opportunities that they offer to extend the season in areas that have been wrongly pigeonholed as summer locations, to think creatively about how they can add economic value and play a part in the regeneration of our coastal communities with taxpayers' pounds, and not just be offered as window dressing for locations that are already international household names.

Extending the season is crucial for us all. If we could achieve that, we would increase revenues by 15% to 25%, increase employment, which is currently seasonal, and support our high streets and small retailers. That must be a crucial objective for us all. We need to be on the main websites all year around—that is fundamental—so changing the mentality of the marketers is crucial.

We must also look at what other countries do very successfully, not least social tourism, which is a concept not well understood in the UK; frankly, it is not understood at all. It is about offering out-of-season opportunities to people on lower incomes, people with disabilities and older people. The models range from those that involve public subsidy to those that cost the Government nothing. The Belgian tourism body will not register a hotel or holiday establishment that does not provide free or discounted holiday nights out of season. At no cost to the public purse, it incentivises accommodation owners to ensure that they provide discounted offers. In Spain, the Imerso scheme, which offers senior citizens off-peak holiday breaks by the sea, has led to a 10% increase in tourism revenue and a 16% increase in tourism employment. In France, 135,000 establishments accept vouchers available for those on low incomes, generating €3 billion for the French tourism economy every year. That system costs the Government nothing and is an incentive package that companies offer their lower-paid workers. I am sure that many hon. Members in the Chamber would like to establish a working group with the Minister's Department to see if we can create a sustainable scheme that would generate such revenues for our seaside towns out of season.

There is one final issue on which I should like the Minister's support. Many of us who spoke, or who wanted to speak, in the debate on the Daylight Saving Bill on Friday were a little disappointed. The measure would support our weaker pocket economies in coastal areas at almost no cost, and if they adopted it, the Government would increase Thanet tourism revenue by 10%. Nationally, the measure would boost tourism revenues by £3.5 billion and generate about 80,000 jobs—quite an impact for just one measure. The fact that the Government did not even want to investigate what measures could be put in place was particularly unhelpful. Even the Scottish nationalists, who are against the proposal, conceded that perhaps there is a case for putting back the date when we revert to Greenwich mean time. Even an extension to the end of November would make a serious difference. I hope that my hon. Friend, as Minister responsible for tourism, will make further representations to other parts of Government to consider this issue again.

I urge the Minister, who is a great champion of tourism and heritage and who represents a seaside town, to support us in this push for greater marketing out of season, for consideration of social tourism or other mechanisms to ensure that we can get the most out of our exceptional accommodation on the coast and for daylight saving to be regarded as a priority for the regeneration of our coastal communities. That is not just for our benefit. It would benefit the Treasury in increased taxes. The Minister could put a smile on the face of the Department for Work and Pensions by reducing unemployment in some of the most intractable parts of the country, help the Department for Business, Innovation and Skills increase the number of new business start-ups in coastal towns and help us break the cycle of deprivation and economic stagnation that so many of us face locally.

2.43 pm

Dr John Pugh (Southport) (LD): I congratulate the hon. Member for South Thanet (Laura Sandys) on giving a focus to this debate by analysing with great skill many of the problems in seaside towns.

I apologise if I do not sound like my usual cheerful self, Mr Crausby. I have a disease that I am trying to throw off. Were I in the sun-kissed environment of Southport, I am sure that this would not be so. I represent Southport, which some people say is only technically a seaside resort, because we have so much beach that it takes some time to get to the sea. None the less, it has regenerated itself successfully in recent years and I am proud of what has been achieved there.

It might help new hon. Members if I rehearsed some things that were done in the previous Parliament. There has always been a group of Members of Parliament from seaside resorts who have got together to co-ordinate their efforts and put pressure on the Government to deal with their specific concerns. In the previous Parliament, we were helped by a report on coastal towns from the Select Committee on Communities and Local Government. I sat on that Committee and I assure hon. Members that it was not easy to get Committee members to consider that matter, because they thought that it was a marginal issue and perhaps not sufficiently substantive to occupy a serious Committee. But that was done, and it was a surprising success.

Initially, the Government response to that report was fairly negative and bland. Phyllis Starkey, then Chair of the Committee, asked the Department to consider its response again and, to our surprise—there might have been a change of Minister—the second response was a great deal more positive. "Sea Change" funding appeared, which was to be administered by the Commission for Architecture and the Built Environment, and there was a clear cross-departmental focus on the problems of seaside resorts, which was wholly helpful. At about that time, regional development agencies were given responsibility for tourism and asked to look specifically at the regeneration of seaside towns, in addition to other topics that they are more familiar with, such as urban regeneration.

We found from the Committee's report that it was hard to generalise about seaside towns, because they are all so different; they are not only in different parts of the country, but are different in character and history. Some concentrate on fishing and others on fairgrounds. There really are quite stark differences between many resorts. Skegness is not the same as, or anything like, Brighton, although it happens also to be on the sea.

A cluster of problems can be found in most seaside towns. They normally have an interesting past, but equally they have a rather uncertain future, and sometimes an uncertain view of where they should go. I visited Margate with the Select Committee, not too far away from the constituency of the hon. Member for South Thanet, and found a town torn in two directions. People wanted to go different ways. Some wanted the old fairground back and wanted Margate to become a place of pleasure rides, and others wanted to build on the Turner heritage, and the light of that area, and have a more aesthetic development. I am not sure which direction that area went in, but that difference of opinion crystallises a general view that I have formed, which is that all seaside resorts, if they are to go anywhere, need some view of what they are essentially like.

Southport has been successful because it has not tried to rival Blackpool and has a concept of itself as a classic resort, which is distinctive, and it plays to its strengths, such as Lord street and, generally speaking, the Victorian environment—and as a market brand, it works. But like many other places, it also has problems with its housing stock, particularly the hosts of large houses built for the days when thousands of people trooped there regularly to fill out boarding houses. That means that such places end up with a skewed housing stock. In some towns on the Kent coast, that housing stock is filled with a disproportionate number of benefit claimants. There are genuine housing problems. Sorting out seaside towns' problems is not just about attending to tourism, but about attending to housing and transport, which is a huge issue for most seaside resorts because they are often difficult to access, having been built and grown up in the days when trains were the way forward.

In making changes and developing the character of these places, we should consider that often seaside towns are blessed with a disproportionate number of retired people. That has a good effect, in so far as it ensures that there is a relative level of prosperity in the town. However, in respect of implementing change, as people get older they possibly do not welcome change in the same way as people do when they are young. In resorts that we Committee members visited, we often found contentious political divisions about the character of development in the town. An additional problem is generated by the fact that a lot of people living and working in seaside towns work in the public sector and will feel the impact of public sector cuts.

Sorting out the problems of seaside towns is not something that should just be thrown at the door of the Minister with responsibility for tourism; it should be thrown at the Government as a whole, because it is a matter of cross-departmental working. The previous Government recognised that.

Laura Sandys: I totally agree that the issue of coastal towns is a multi-departmental one; I do not detract from that, but I feel strongly that we in coastal communities have to address each of the issues with each of the Ministers, and then bring that together through the cross-departmental committee. It is crucial that Ministers with responsibility, who can have an impact on our communities, understand that we face many challenges and find out what levers they can pull to assist us. The fact that the Under-Secretary of State for Culture, Olympics, Media and Sport, the hon. Member for Weston-super-Mare (John Penrose), has responsibility for tourism and is the MP for a seaside town is a great asset for us.

Dr Pugh: Absolutely. I do not disagree with that analysis. Tourism genuinely helps in an extraordinary way. Too often in our tourist propaganda, we forget that our coasts are a fantastic asset. We tend to think of London, Edinburgh and bits in between, such as Stratford-upon-Avon. International publicity does not stress a strength that was well illustrated by the BBC programme. We have a fantastic coast, which is a fantastic asset, and we should make more of it. When I was at an embassy in France, I picked up propaganda for the north-west of

[Dr Pugh]

England, hoping to find references to Southport, or at least Blackpool, but there were none. I found Oswaldtwistle, but I do not even know what it is, and I have lived in the north-west most of my life.

VisitBritain—I have said this before—has something to learn, but we must all learn how to deal with our new environment. If regeneration of seaside resorts is to progress, we will presumably have to work hand in hand with the new local enterprise partnerships, which will be centred predominantly in urban conurbations and will not have a natural feel for the problems of seaside resorts. They will need to be advised, instructed or directed not to leave out places that will, in most LEPs, be on the margins or the coast.

We must also recognise among ourselves—the community of coastal MPs—that whatever prospects we thought there were, before the time of austerity, of new transport links being delivered overnight have probably receded, and that that will not happen any time soon. We must work hard for our salvation. Most seaside resorts, their communities, and councils who understand the state of play recognise that. I believe that there is a role for the Government—this was the theme of the speech of the hon. Member for South Thanet—in sewing the pieces together and ensuring that good practice is spread, and in ensuring that when resorts have a clear vision of their own destiny and are prepared to pull themselves up by their own bootstraps, they are given every encouragement to do so.

2.52 pm

Brandon Lewis (Great Yarmouth) (Con): I want to focus briefly—I know that other hon. Members want to speak—primarily on the economic importance of tourism to Great Yarmouth and other coastal towns. We know that tourism is one of the largest employment industries in the country. I think it is the fifth biggest, involving more than 200,000 people. In Great Yarmouth, it is the biggest employer by quite a long way—the NHS is second—with 5,600 people involved. To put that in context, tourism is one of the largest industries in Norfolk, where there are about 11,000 people working in it. More than half of the entire county's employment in tourism is in Great Yarmouth, so its importance to our economy is massive.

Tourism is driven primarily by local, private, often family-owned businesses, such as hotels and providers of bed-and-breakfast accommodation, and the tourist authority is very active. We are talking about 30% of the entire work force of Great Yarmouth, and half of that 30% work in seaside-related tourism. Those are the figures, and Steve Fothergill's work on that is to be commended and should be read by everyone who is interested in coastal towns, but in a town such as Great Yarmouth, it is probably more like 80% or 90% who are tied to the coastal attraction. Our only other areas of tourism that do not have the seaside link are the broads, a third of which are in Great Yarmouth.

It is important when moving forward to consider how to market our coastal towns, and it is absolutely correct that we must consider how to develop them in the 21st century. Tourism in many of our coastal towns is that classic British archetypal postcard idea, but things have moved forward. Apart from the fact that there is more competition, because people can travel abroad more cheaply and find guaranteed weather more easily, we all demand more value for our money, particularly in times of austerity. It is important that coastal towns recognise that.

Great Yarmouth has done some excellent work in developing and improving tourism. Some independent and family companies, such as Potters, a family holiday resort, have upgraded to become five-star resorts, and that has a positive impact on the entire area, as does focusing on attracting people and explaining that there is more than just the seaside. There are zoos and the broads. We must be clear about that.

It is extremely beneficial to all tourism areas, especially coastal areas, to have a Minister who really understands the issues. He is methodical and careful about ensuring that he is briefed on the entire range of issues affecting tourism towns. I look forward to welcoming him to Great Yarmouth next year, and I hope that that will be when the weather is just a bit warmer.

It would be hugely beneficial to consider how marketing is carried out, particularly through VisitBritain and VisitEngland. At the moment, much of that marketing is funded through the regional development agencies, and a complaint that I often hear is that the RDAs, particularly the East of England Development Agency in the eastern region, do not understand or focus on what coastal towns want. We need a body that understands and focuses on tourism, and a body that our tourist authorities and local authorities can better understand, instead of the quango system. That would be a more logical way of moving forward.

There are opportunities, and their economic value is huge. In Great Yarmouth we hope to have one of the large casinos. That would bring the benefit of up to 1,000 jobs, and bring a different type of person to the town. The best we can achieve from debates such as this, and from the Government, is help to raise our profile nationally, and to show people the importance of tourism. Much tourism in coastal towns focuses on independent businesses and small and medium-sized enterprises that need extra motivation and support to ensure that they can develop. Many areas suffer from a limited season, including Great Yarmouth, where one of the most deprived wards in the country has unemployment of 16% and, in some years, 18% just because of seasonality.

We are moving forward. We are developing the energy industry and considering how, with the casino and other developments, to extend the season, but we need extra motivation and support. If we can find some economic drive, and courage to change the way in which we market such towns, that might help to stretch the season. We must incentivise independent business people to understand that they should invest further, and persuade some of the bigger organisations and companies who invest in coastal and tourism towns throughout Europe to look at the benefit of investing in British coastal towns. When they understand that even a town that is not the biggest in the world, such as Great Yarmouth, has a tourism industry that is worth around £500 million a year with more than 5 million visitors, they will see that there is a huge amount of business for people, and that will bring a real benefit to the British economy. I recommend that the Government support that as much as they possibly can.

2.57 pm

Mike Weatherley (Hove) (Con): I congratulate my hon. Friend the Member for South Thanet (Laura Sandys) on securing this debate. Just as tourism is often the reason for the existence of our seaside towns, it is often key to the ongoing regeneration and growth of those communities. The leisure and business facilities that attract inbound visitors also improve the economic and cultural lives of our residents. Anchor attractions, quality hospitality, retail facilities, festivals and events are key drivers in regenerating seaside towns, revitalising the image and refreshing the offering. I want to highlight a few ways in which the tourism sector can be a driver for the regeneration of seaside towns for the benefit of residents and visitors alike.

The first is cultural tourism. The reputation of seaside towns as backward and tacky is turned on its head when a more inspirational offering is added to the mix, such as has been done in Brighton and Hove. Recent years have seen a huge increase in the popularity of festivals and events, and Brighton and Hove can probably claim the title, "City of Festivals", with its year-round calendar of major events incorporating music, arts and theatre, food and drink, sport and outdoor pursuits, fashion and retail, and many more.

Festivals are a relatively low-cost and self-contained way for seaside towns to reposition themselves. For example, the Brighton and Hove food and drink festival supports the entire supply chain from farm to fork, and creates year-round promotion of the city as a quality destination for food lovers. The Sussex fashion awards, which are scheduled for February 2011, are another example and had the good sense to invite me to be a judge. Brighton dome and festival is a pairing of a year-round cultural festival to provide joined-up thinking and resources. However, health and safety rules, licensing costs, and restrictions applied by local councils on outdoor events and carnivals can have the effect of de-incentivising organisers. As events are one of the key creators of a buzzing, thriving economy, this is one relatively straightforward area where local councils and the Government can act rapidly to allow the private sector to facilitate change.

Simon Kirby (Brighton, Kemptown) (Con): My hon. Friend will know how lucky he is to represent a constituency that is so close to mine in the great tourist resort of Brighton and Hove. It has nearly 8 million visitors a year who provide £0.75 billion to the economy every year, and 14,000 people are employed in the tourism industry. He is right to say that tourism is not just about the beach and the sea. There is a variety of important cultural attractions in the city that we represent. Things such as music and arts, which I know are dear to my hon. Friend's heart, are important drivers, together with traditional attractions such as the Palace pier.

I would like to raise one point, and I thank my hon. Friend for allowing this interruption—

Mr David Crausby (in the Chair): It is a rather long interruption.

Simon Kirby: Does my hon. Friend agree that we need better train services to enable people to come and see our great city?

Mike Weatherley: I thank my hon. Friend for that speech, and for taking the impact of most of my speech away. If I may, I will return to the point about transport in a few minutes.

Unfortunately, many seaside towns in the UK have problems managing the night-time economy. Many councils and residents look with disdain at bars and clubs and their patrons, and a cultural shift is required to move on and recognise the economic benefits of that sector. Within Brighton and Hove, the night-time economy raises a figure in excess of £400 million a year, which goes a long way towards the figure mentioned by my hon. Friend the Member for South Thanet. A thriving night-time economy is one of the strongest draws for visitors to the coast and, increasingly, for the "silver mature" market, which includes myself. The night-time economy should be embraced and helped, not legislated against. Extended licensing hours, for example, have generally benefited the city, rather than had a negative effect.

One of the main blocks to feel-good tourism in the UK is the continued lack of investment in the infrastructure of seaside towns. That leads to limited and expensive parking and, as my hon. Friend the Member for Brighton, Kemptown (Simon Kirby) noted, inadequate rail facilities. Due to necessary but never-ending engineering works, Brighton and Hove is often inaccessible by direct rail at weekends, and the road works and lack of road capacity result in endless traffic jams at peak times. The cumulative effect of that has a negative impact on visitors, and the lack of investment in city centre parking in Brighton and Hove is a major obstacle to future development. The past decade of discouraging car use was a mistake; an integrated transport system is required, rather than forcing through one form of transport.

Congestion charging says to visitors, "Please do not come here." Let us hope that that idea is never implemented in Brighton and Hove, which depends on welcoming visitors rather than turning them away. The same applies to parking fines. Car parking should be a council priority when looking at investment in buildings and other attractions. I would also like to see proposals for the monorail along our seafront progressed. That would be an innovative scheme, and a first for the country. Such proactive development will boost the importance and desirability of the city as a destination.

I welcome the coalition shift towards having more planning decisions taken locally, and I hope that that does not lead to fewer planning approvals. Our record in Brighton and Hove over the past 20 years may be attributed to the proposal of inappropriate schemes, and to intransigent developers trying to foist their schemes on the city. It is also due to a cumbersome planning permission regime.

Although it is important to protect the unique Georgian and Victorian architectural heritage of our seaside towns, which have no equivalent in the world, it is equally important to see them as living, breathing spaces with economies to support. We need to get the balance right between protecting the best bits, and being bold enough to replace the mediocre.

In summary: it is time to regenerate. Tourism is vital to my constituency, and we should encourage investment in destination hotels and attractions—the relaxation of some planning controls would help. We should also

[Mike Weatherley]

embrace the night-time economy, avoid excessive legislation and red tape, improve transport infrastructure, especially car parking, and recognise the importance of the tourism sector with tax breaks for small companies. For example, I would like to see the national insurance scheme currently proposed for the rest of the country extended to those cities in the south that require an occasional boost to tourism. Such issues are vital for Hove and Portslade, and I look forward to hearing the Minister's response and to working with the Government.

3.5 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): It is a pleasure to serve under your chairmanship, Mr Crausby, and I congratulate my hon. Friend the Member for South Thanet (Laura Sandys) on securing this important debate. Like a moth to a flame, as a Blackpool MP I find it hard to resist any debate on tourism and seaside towns. Today, however, I do not want to talk about Blackpool. Close observers of the annunciator will have noticed that I represent Blackpool North and Cleveleys. Cleveleys is also a seaside town with a tourism industry, although it does not receive as much attention as its big brother to the south.

Many people holiday in Cleveleys without going anywhere near Blackpool. It offers a wonderful expanse of coast and some of the finest promenade architecture that we have seen built in this country over the past 25 years. Bus trips come for the day from far and wide. During the general election, I had a street stall in Cleveleys. By half-past 10 in the morning I was spending more time convincing voters from constituencies such as Stoke-on-Trent Central to vote Conservative than I was convincing those from my constituency. Obviously, I did not do enough because we failed to win the seat in Stoke-on-Trent Central, but I did my bit.

Cleveleys has flat pavements. Hon. Members may wonder why I mention that, but flat pavements are unusual in seaside towns and they make the town accessible. A large number of coaches come to Cleveleys full of disabled tourists who know that it is an accessible resort that they can get around despite their mobility problems. Large numbers of pensioners also come to Cleveleys—again, because it is easy to get around.

Cleveleys has a good variety of shops and a large number of cafés for people to sit in should a shower pass over. One such place is the Carousel Café, which is run by the president of the chamber of trade, Martin Hunns. Although Cleveleys has some wonderful, positive aspects, it also has a few downsides. If one asked Martin about Cleveleys, as I am sure people do, he will say one thing:

> "We have gone on for years about parking in Cleveleys. All this money has been spent on this beautiful promenade but people are being turned away because there is nowhere to park."

The town is concerned about the sustainability of the range of shops on the main streets, and the future of its indoor markets. One such market is to close suddenly, although I gather that an improved version is on the way. A medium-sized seaside town such as Cleveleys has positive and negative aspects, but the main challenge it faces is that of marketing, branding and communication—something that other hon. Members have also mentioned. Who should do that marketing, and how?

I want to pay tribute to a lady called Jane Littlewood who runs a small business, Rabbit Design. She moved to Cleveleys from South Yorkshire, and saw the opportunity the moment she arrived. She now runs a website that promotes tourism in Cleveleys, which she does entirely on her own without any public funding. Unsurprisingly, the website is called visitcleveleys.co.uk, and I encourage hon. Members to do just what it says and visit Cleveleys. As Jane says,

> "the coastal Wyre area hasn't previously been strongly promoted as a tourism area, and Cleveleys has plodded along under its own steam...Promoting the website and promoting Cleveleys are inextricably linked, and a raft of publicity has gone out this year in north west publications, including Lancashire Life. Links are being developed with the local authority and tourism marketing agencies to develop the brand much further for the future."

What Jane does is more than a voluntary initiative and a nice idea; I think that it is the future for destination marketing in this country. For too long, we have assumed that the responsibility for marketing our seaside towns should lie with some sort of public body, be it local government, VisitEngland, VisitBritain—or visit whoever—or even the Minister's Department. Here, however, we have someone taking the initiative and doing something for the benefit of their community without a public body intervening. I hope that hon. Members will not groan when I say that that might just be an example of the big society in action.

If we look a little to the south of my constituency, although not as far as Southport, we see that South Ribble and West Lancashire have the Heart of Lancashire Tourist Association. It was recently spun off as a community interest company and is owned by the very businesses that it promotes. It is a true co-operative and does not need to be sustained by public funding. When we see the Minister's domestic tourism strategy, I hope that VisitEngland will have become not a body that picks and chooses the places that it promotes, but a repository of understanding and knowledge about how best to promote tourism in the UK.

VisitBritain's role is quite distinct: it is to encourage overseas visitors to come to the UK. I hope that it will work hard to encourage Chinese people to come and enjoy Blackpool pleasure beach, which will certainly be a cultural experience for them in many ways. VisitEngland, however, really has to focus on understanding how we promote domestic tourism. We all talk about the cliché of the "staycation", which might well be a passing, transient phenomenon, but we need to understand that there is a wide variety of holidays that our citizens can take in this country.

I was delighted to hear my hon. Friend the Member for South Thanet mention the concept of social tourism, which is close to my heart. I urge anybody who does not know what it is to come to the inaugural meeting of my all-party group on social tourism next week, where they can find out far more about the subject. They might even take part in the inquiry that the Family Holiday Association is organising for the start of next year on defining just what we mean by social tourism. We should try to find new ways of developing tourism and spreading its wider benefits to disadvantaged groups.

I wonder how many Members here have heard of the Family Fund, an organisation that spends almost £30 million of Government money on giving families with disabled children short breaks in the UK. Many people say that we do not do social tourism in the UK, but we do, and the Government already spend £30 million a year on it. We need to understand what goes on already and what could go on in the future, and my hon. Friend mentioned many examples. We need to understand what benefits that could bring us.

I am really looking forward to reading the Minister's domestic tourism strategy, and I hope that it is a long read, because there is a lot that we need to deal with. When he presents it, however, we will have to address the fact that tourism does not stand in isolation. Tourism promotion, particularly in places such as Blackpool, can be hampered by some of the negative feelings that people have about seaside towns. Branding is not just about Blackpool town, the pleasure beach or the nice seaside; it can also be about some of the negative headlines on social problems that people read in our newspapers.

Before the debate, I asked the Library to put together a ranking of all Conservative-held constituencies by deprivation. I had a theory that there would be a concentration of very poor Conservative-held seats in seaside towns, and that is indeed the case. Of the top 10 Conservative-held constituencies by deprivation, six are seaside towns, and the list is topped, unfortunately, by the constituency of my hon. Friend the Member for Hastings and Rye (Amber Rudd)—that is perhaps not a list that she would wish to top, but she does none the less. I come in at No. 4.

Clearly, the role of tourism in the economic regeneration of seaside towns is crucial, but we cannot see it in isolation, and we must tackle every other silo of Government activity. That is why I am so pleased that responsibility for this issue, in addition to being based in the DCMS, ranges across several Departments. That is crucial, because until we get the whole picture right, we cannot hope to get tourism right.

3.14 pm

Anne Marie Morris (Newton Abbot) (Con): I am delighted to take part in the debate, which gives many of us in the Chamber an excellent opportunity to share our concerns about tourism in seaside resorts.

I want to begin by talking about deprivation. Like my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), I have done some research, although not just into Conservative-held seats. When I looked at the ranking of towns according to the number of personal insolvencies and bankruptcies, four of the top five were seaside towns. I am afraid that one of them was Hastings, while another, which is closer to my constituency, was Plymouth, although it was a little further down the list.

One reason why such towns are so deprived is that they have relied on support from industries such as engineering and fishing. Teignmouth, in my constituency, used to have a much more active and profitable fishing industry, but that is no longer the case, and most of the catch must now be landed in Brixham. Solving the problems of seaside towns is not, therefore, just about tourism, although it plays a key role. We must also look at how we build supplementary businesses and industries. Much as I agree with hon. Members that the challenge is to ensure that tourism continues all year round, we must accept that there will always be more of it in the summer and that there will be a fair few part-time, rather than full-time jobs.

Damian Collins (Folkestone and Hythe) (Con): I completely support my hon. Friend's point. Does she agree that year-round interests, such as food tourism and heritage, are a particularly important part of the tourism offer? I am thinking particularly of food tourism in Kent, which has been a big growth area in the Canterbury and Faversham area and in Romney marsh, in my constituency.

Anne Marie Morris: I certainly agree, and that well-made point reiterates that made by my hon. Friend the Member for Hove (Mike Weatherley).

The value of tourism is enormous. Members have mentioned several figures, but when I last looked at the issue, the prediction was that tourism would be worth £180 billion in this country by 2020. By that point, it will also be responsible for providing 2.89 million jobs, which is phenomenal. That would make a big difference to the current parlous state of the economy.

I represent part of Devon, which has 5.3 million visitors each year. That accounts for 7% of the Devon economy, which is well above average. In Teignbridge—the small heart of the part of Devon that I represent—32% of the work force are involved in tourism in some way or other. That is a very high figure, but it is not out of line with many of the figures that hon. Friends have mentioned.

Help is needed, because tourism is valuable for the growth of our economy and the recovery, but we need to identify how we make that help available, as many hon. Members have said. Perhaps I can briefly mention the key seaside towns in my constituency to help us see what the right solutions might be.

Dawlish Warren is a huge success story, and I am pleased about that. We have 800,000 visitors a year—on a good day, there are 20,000, which is a significant number. Why do we get those visitors? We have some excellent blue flag beaches and 505 acres of nature reserves, which attracts an interesting mix of tourists. However, we face the challenge of erosion, which is slowly pulling the beach back. As many hon. Members have said, the ability to solve such problems is not, dare I say it, in the gift just of this Minister, and I am pleased to say that I have had favourable responses on these issues from some of his Front-Bench colleagues.

Teignmouth is beautiful. It is a quintessential Victorian seaside town, but it, too, has its challenges. It has an ageing pier. It would be lovely if some of the suggestions made about lottery funding before the election could become a reality, because that could help. The town also has an ageing fish quay, which could receive EU funding and input, but those are proving quite elusive, and help from the Government in enabling seaside towns to make the most of EU opportunities would be extremely welcome.

Dawlish, which is a regency resort, is best known for its black swans. Jane Austen also stayed in the Strand, which is the main street running through the town. In

[Anne Marie Morris]

answer to the point made by my hon. Friend the Member for Blackpool North and Cleveleys I would say that the big society is here in seaside towns. All three communities that I have mentioned have put together their own plans. They are well supported by the local community; there is not a great division. Indeed, the Dawlish plan is today on the Strand, ready to be inspected. What they need, having come up with the plan, is help with the solutions.

Clearly, No. 1 is marketing. I must declare an interest, because I am a fellow of the Chartered Institute of Marketing, and the issue is close to my heart. One of our concerns is that, while we need the big society, with communities doing their bit, we also need an appropriate framework and strategy, and a toolkit for making tourism work, and marketing it, as my hon. Friends the Members for Hove and for Blackpool North and Cleveleys were saying earlier. South West Tourism is the body that provides that guidance and framework at the moment in my part of the world. It will be disbanded in 2011 because it was under the aegis of the regional development agency, which clearly will not survive. What will replace it is an issue that is dear to my constituents' and my heart. VisitEngland and VisitDevon provide some help and assistance, but they do not go to the heart of the need.

We need to grapple with the question of what the target market for tourism is. As hon. Members have articulated, the days of the bucket and spade brigade have declined, because those people are going to sunnier climes where they can guarantee the weather, and it is cheaper because they do not have to pay for entertainment when it is raining. We must think about not just social and cultural tourism, which are important, but those people who no longer have children at home—the so-called empty nesters—who are looking for a different type of holiday. They may want to combine a holiday across seaside resorts and rural sites. We need to think about what the target market is and how we segment it—by the type of holiday that people want to enjoy, or by geography? We need such a strategy, because otherwise all the efforts made locally will be fighting against each other. That has been one of the problems to date. In Dawlish the community has got together as a group to ask, "What do we do about our brand? What does Dawlish stand for? How could we market ourselves, together with Teignmouth, and perhaps some of the other destinations out on the moor?" Marketing is a key thing, and that is clearly one of the solutions.

The second issue relates to regenerating not just the housing stock but the fabric of the landmarks in the relevant communities. I have referred to our pier. I should love to find some money, perhaps from the lottery, to sort it out. One of the challenges with refurbishing seaside towns is VAT. VAT on new build, which is not really appropriate in this case, is zero-rated. However, we shall feel the full weight of the 20% rate next year. Would not it be wonderful if, for that type of regenerative building, the VAT rate could be 5%? I know that that is not in the Minister's gift, but it is perhaps in that of some of his colleagues.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): My hon. Friend will be aware that we are one of only six countries left in Europe who charge double figures for hotel accommodation. The 21 who do not are all reporting increased turnover, increased tax take and an increased ability to create jobs. Does my hon. Friend agree that our Government should seriously consider that?

Anne Marie Morris: I certainly agree. The hon. Member for Torbay (Mr Sanders) has raised that matter over the years. As my hon. Friend says, the rate is much lower across the continent. France has just brought it down to 7%. We need to look at that issue.

I suggest also that the Minister should consider business rates. They are the bugbear of many small businesses. Might we conceivably consider enabling communities to reinvest the business rates that are charged back into the community, the small businesses, and particularly tourism, which, certainly in my constituency, makes up a large part of the small business?

Damian Collins: Does my hon. Friend agree that it is encouraging that the Government, in their local growth White Paper, are including consideration of how councils can invest in the business infrastructure of their community and recoup that investment through tax increment financing in the future?

Anne Marie Morris: I absolutely agree. My hon. Friend makes a good point.

I want to talk now about the challenge of part-time workers. There is often a disincentive for them to take jobs because of the way the tax system works. If they are not working enough hours to take them over the threshold below which they do not pay tax, when they take a second job they are instantly thrown into paying the full base rate. There needs to be a way to simplify the process, so that individuals who take on several part-time jobs are not penalised, and do not have to reclaim overpaid tax.

I know that Front Benchers are considering the issue of people working 16 hours before losing benefit, which has meant that holiday businesses that employ people on a short-term basis find that when they want the flexibility for that individual to work a couple more hours it cannot be done without a huge problem for the employee.

I want finally to reinforce the point made by my hon. Friend the Member for Southport (Dr Pugh) about local enterprise partnerships. They can play a crucial role in providing the strategy and support that will enable community plans to become a reality. They can also play a crucial role in enabling us to find the funds for the different plans. It would be helpful if the Minister and his Front-Bench colleagues could reinforce that point.

I look forward positively to the domestic tourism strategy. I am delighted that the Prime Minister said that he would like domestic tourism to increase from 35% to 50%. That is fantastic, and I am delighted to have had the opportunity to make my case.

Several hon. Members *rose—*

Mr David Crausby (in the Chair): There are three hon. Members left to speak. I intend to call the Front-Bench spokesmen at 3.40 pm exactly, so if hon. Members could share the time between them, that would be appreciated.

3.26 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I shall keep my comments brief, Mr Crausby, and, if hon. Members do not mind, turn their attention to Wales for a short moment, in the full understanding that some of what we have been discussing this afternoon is devolved; the issues are common to seaside towns throughout the UK.

There are a few areas on which I should like the Minister, if possible, to comment, and reassure us. In my constituency we have 10 seaside towns, and no two are the same in their complications and economic and environmental circumstances. First, national parks are without a shadow of doubt a great asset, to be protected, and essential for a successful and effective tourism industry. However, there is a feeling, at least in my part of the world, that national park planning departments are a barrier to investment, progress and individuals who want to expand their tourist industry. It would be encouraging to hear from the Minister whether consideration will be given to merging in some way the local authority and national park planning functions, to minimise the chance of complications, which inevitably lead to the rejection of perfectly reasonable and positive planning applications, to the detriment of the local economy.

Secondly, I want to raise a planning-related matter—it has been mentioned before, but I want to put it in the specific context of agriculture: that is ensuring that the people on the fringes, not necessarily in the seaside towns, can diversify their agricultural businesses in a way that benefits the overall tourism attraction of the area. That issue is common to national park planning applications and to local authority applications.

Mr Mark Williams: Does the hon. Gentleman agree that in a Welsh context, the planning experience he alluded to has hampered the development of agri-tourism, food tourism and green tourism, which we in west Wales are uniquely placed to develop fully?

Simon Hart: The hon. Gentleman is completely right. His constituency is only a few miles up the coast from mine and I recognise his concerns.

My third and penultimate point is about road and rail infrastructure. Of the 1 million international visitors to Wales, who have brought in £321 million in the recent past, a significant proportion—92%—made their journey to Wales in a car, but once people get as far as about Swansea it is almost impossible to travel any further west with any degree of comfort. It is even more difficult on a train. That is a subject for a future debate, when we will discuss the electrification of rail lines. We are not making things easy for the tourism industry in the west of Wales in that respect.

Finally, for the sake of brevity, let us not lose sight of the fact that although tourism is the subject of this debate, in my part of west Wales at least, coastal town regeneration is just as dependent on other industries as it is on tourism. To take the Milford Haven waterway as an example, in that location, there are two oil refineries and two gas terminals, and the biggest gas-fired power station in Europe is under construction. The inward investment to those enterprises is vital not only for the people who are immediately connected with them. The surrounding tourism industry and economic environment are linked to large-scale industrial investment just as much as they are to tourism. We must not lose sight of that. This is not a case of either/or; it can be both. I hope that in the Government's proposals, those few points are taken into account.

3.30 pm

Guto Bebb (Aberconwy) (Con): It is a pleasure to contribute to this important debate, and I congratulate my hon. Friend the Member for South Thanet (Laura Sandys) on initiating it. I will try to be brief, and I will of course add to the comments made by my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart), in that I am bringing Wales to the table today.

I have the privilege of being the Member of Parliament for Aberconwy. That means that I represent the seaside resort of Llandudno, which is recognised in Wales as the queen of Welsh resorts. The experience of Llandudno is very positive, because it has been a success story in many ways during the past few years, but before I focus on Llandudno, it is important to point out that seaside resorts and former seaside resorts have developed in different ways during the past 15 to 20 years. For example, the resort of Llanfairfechan in my constituency, has developed into a dormer village or dormer town. People live there to enjoy what is available there: the scenery, the beach and so on. Tourism can play a part in the further regeneration of Llanfairfechan, but the town has played its own game and decided to serve as a residential community, which is obviously perfectly acceptable.

Penmaenmawr is another resort in my constituency. Believe it or not, Penmaenmawr was the favourite resort of Gladstone, the former Prime Minister. He used to go there every summer to recharge his batteries. Penmaenmawr became an industrial area, dependent on quarrying, but it is now rediscovering tourism as a means of regeneration. The residents of Penmaenmawr, who are very proud of their association with the former Liberal Prime Minister, would be more than delighted to welcome the current Deputy Prime Minister. If things become a bit hot in London during the next few days, he is more than welcome to come to Penmaenmawr, where he can enjoy the seaside and the mountains and contribute to the redevelopment of the tourism sector in that town.

However, the real issue for me today relates to Llandudno, which is a great success, as it has retained its Victorian ambience but has also tried to modernise itself and ensure that it is a seaside resort that works all year round. A previous contributor commented on part-time work and casual work. One of the big challenges in relation to tourism and economic redevelopment is to ensure that the tourism sector can provide year-round employment. Llandudno is keen to ensure that it develops year-round tourism, and it has done that by being proactive about its marketing, ensuring that it draws in the Christmas market and so on. However, it has also worked in partnership with the local authority to ensure that it can offer conference facilities and entertainment. The local authority has worked with the tourism association in Llandudno to develop Venue Cymru, for example, where there are a large theatre and conference facilities. That means that Llandudno attracts tourists all year round, which has the added benefit of allowing businesses

[Guto Bebb]

servicing those tourists and visitors to employ people and give them proper jobs for 52 weeks of the year, as opposed to the casual employment that they had to depend on in that sector in the past.

Another of Llandudno's successes results from the fact that it has not seen tourism as something that works in isolation. In addition to being the queen of Welsh resorts, it has been the main shopping centre for north Wales for generations. The investment in retail has continued, and the important thing about that investment is that it is not just about the high street multiples, which are obviously very important to the local market. The wonderful thing about Llandudno is that it also offers independent retailers, who add to the experience for tourists when they come to the town. They have the feeling that they are in an old-fashioned resort. They can see the high street multiples, but they can also go to the back streets and find interesting retailers offering something completely different.

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman agree that a council working with other councils in the region could bring in tourists for everyone? If a push is made to bring tourists to one village on its own, sometimes that does not work, but if a council works with other councils and other tourist destinations, with all their different attractions, everyone can benefit.

Guto Bebb: That is a very valuable contribution. Conwy council, which represents Llandudno, works in partnership with other local authorities, especially in relation to marketing the advantages of Snowdonia, for example, so yes, I agree with that point.

We are very fortunate that a large part of the town of Llandudno is under the management of Mostyn Estates. One of the strengths of Llandudno is that it has retained its character, due to the sympathetic management of the town by Mostyn Estates. That management has ensured that, for example, when people hit the prom in Llandudno, it looks extremely impressive. There are controls over the colour of the paint that can be put on hotels and there are controls in terms of not allowing buildings to be turned into houses in multiple occupation. That has kept the character of the town and has contributed to Llandudno's success.

I shall finish with these questions and points for my hon. Friend the Minister, because I am aware that time is pressing. The Llandudno Hospitality Association has a number of concerns, including one that was touched on by my hon. Friend the Member for Carmarthen West and South Pembrokeshire. I am referring to VAT on hotel rates. One of Llandudno's successes is that it has turned its attention to offering a broad range of accommodation, from bed and breakfasts to high-class boutique hotels. However, there is a concern that we face a VAT rate of 20% on hotel accommodation, compared with much lower rates in the rest of Europe.

It is worth mentioning that 3.1 million people live in seaside resorts in the UK. That is more than the population of Wales. Wales has a Secretary of State and a Welsh Assembly fighting its corner. Is the voice of seaside resorts heard across Government? I am sure that the coalition Government will ensure that that is the case, but I would like reassurance on that point.

Tourism should not be seen as a Cinderella sector in economic development. Local enterprise partnerships in England offer the opportunity to ensure that tourism development is part of those strategies. I hope that the LEP process in England learns the lesson from Wales. I am very disappointed, because the Welsh Assembly recently announced that it was targeting six specific sectors of the Welsh economy for growth and, for some bizarre reason, tourism was not included. I hope that the Minister will have more success in selling the importance of tourism as an economic development tool than his colleague did in the Welsh Assembly.

3.37 pm

Amber Rudd (Hastings and Rye) (Con): I have sprung to my feet in defence of the town of Hastings in my constituency, as it was placed in a not very positive category by a number of my colleagues. Deprivation in seaside towns is a fact. The point is well rehearsed and has been repeated by many hon. Members here today. It is true that Hastings suffers on many indexes of deprivation, but I will not refer to that now, because I should like instead to draw attention to some of the many wonderful aspects of Hastings. It has a large natural park around it. We have wonderful food and drink, and next year will see the arrival of the new Jerwood art gallery, which I hope will contribute to regenerating the town.

I want to ask my hon. Friend the Minister about the amusement industry. We all know that the seaside tourism industry is linked to the amusement industry, and if the amusement industry is hampered, so is the economic growth of seaside towns. The amusement and bingo industry has been under pressure as a result of the Gambling Act 2005 and, as we know, that has been exacerbated by the recession. Given the wider debate about the economic viability of seaside towns, it is very important that the amusement industry is supported. We have heard today about many new initiatives to support seaside towns and their industries, but we must not forget the old one—the amusement industry and its slot machines, which are important in attracting tourists to our towns.

The regulatory framework of the 2005 Act is robust and exhaustive and went a long way in defending and supporting people, but it also had some unintended consequences, damaging seaside towns. I know that at the moment a Government consultation is under way about maximum stakes, premises and entitlements. I hope that the Minister will be able to introduce some positive changes when the consultation finishes, because many seaside towns have been suffering under those measures. I am thinking particularly of private clubs that are no longer allowed to offer high-paying slot machines. People who wish to use such slot machines must go instead to casinos and gambling places, which have a less benign atmosphere than private clubs, which causes problems. Will the Minister consider carefully what can be done to support the amusement industry, which is so important to seaside towns?

3.40 pm

Gloria De Piero (Ashfield) (Lab): I congratulate the hon. Member for South Thanet (Laura Sandys) on securing this important debate. She spoke passionately about the issues, which are vital to the lives and livelihoods

of many people in her constituency, as they are to the people and economies of many other seaside towns up and down Britain. I hope that she and the other hon. Members who spoke will use their influence with their parties to bring the issue to the attention of the Government, and to press for the necessary steps to secure the future of our seaside towns and ensure that the regeneration of seaside and coastal areas does not slip off the agenda.

Tourism is incredibly important for the survival and regeneration of British seaside towns. It creates huge numbers of jobs, both for people directly employed in the industry and for many thousands more working in related industries. Millions of people visit the seaside every year—after London, Blackpool and Scarborough are the country's second and third most popular destinations for overnight stays. In total, about 25% of domestic tourism is made up of people taking holidays at seaside and coastal towns. I have learned that Cleveleys is an attractive destination. The hon. Member for Blackpool North and Cleveleys (Paul Maynard) spoke about the town's accessibility, and I shall certainly look at the website he mentioned.

Many hon. Members noted that tourism alone cannot be held responsible for ensuring the future of coastal communities, but it has also been noted that it is essential to start with the industry that made these places popular and, in many cases, famous and well loved. That means supporting tourism and directing support to seaside towns that rely on it as an economic lifeline. As the hon. Member for Southport (Dr Pugh) said, it means adopting a cross-departmental approach to help seaside and coastal towns tackle the problems that they face, and ensure that they remain, or return to being, places in which people want to live and work, as well as visit.

The coalition Government must take steps to end the cycle of seasonality that particularly affects coastal communities and to tackle joblessness and youth unemployment. The hon. Member for Great Yarmouth (Brandon Lewis) spoke about the importance of the tourism industry in providing jobs for his constituents. The coalition should also act to provide better-quality and more affordable housing; to support the delivery of strong public services and infrastructure; to take steps to reduce the anti-social behaviour and crime that blights so many of our seaside towns; and to safeguard the growth of small and medium-sized businesses. The amusement industry, to which the hon. Member for Hastings and Rye (Amber Rudd) referred, falls within that sector.

I have spoken to members of the tourism industry, and I was told this morning that, after a period of neglect and decline, it was the previous Labour Government who ensured sustained investment in seaside towns, delivered in particular through the regional development agency, which the coalition has scrapped. The previous Labour Government backed coastal tourism and worked hard to ensure that the British seaside was becoming, once again, an attractive place for people to live, work and enjoy simple pleasures, such as the beach and the sea, and popular visitor attractions.

Earlier this year, Labour launched its strategy for seaside success, which included £5 million to help the most deprived seaside authorities, building on its record in government of targeting an additional £127 million of funding on coastal local authorities to help them meet the particular challenges that seaside towns can face. The hon. Members for Brighton, Kemptown (Simon Kirby), for Hove (Mike Weatherley) and for Folkestone and Hythe (Damian Collins) discussed additional provision and activities in our seaside towns. Labour's strategy also involved a "seasiding" campaign to promote festivals, other cultural initiatives and the non-seasonal economy, and to support the development of heritage attractions, for example, the renewal of historic piers. Those things are needed to make our seaside towns year-round destinations. The campaign involved plans to improve infrastructure, tackle disproportionate levels of deprivation in seaside towns, and work with regional and local bodies to ensure that seaside towns and seaside tourism could flourish. Hon. Members, particularly the hon. Member for Newton Abbot (Anne Marie Morris), talked about the problem of deprivation in such areas.

The coalition's cuts to RDAs and the budgets of organisations set up to promote tourism will hit hard and hurt at a time when the industry needs support, particularly in seaside towns that still depend heavily on tourism. The Government, from the Prime Minister downwards, have yet to show that they have the plans to secure the future of our seaside towns. Yes, we have heard lots of warm words about the state of seaside tourism in Britain, but I argue that they are simply an endorsement of Labour's record, rather than a strategy that the Government will pursue while in office.

The Minister has taken the trouble to visit Britain's seaside towns, which is to be welcomed, but we have yet to hear his findings, and we look forward to doing so. If the Government are to support seaside towns and continue Labour's work to regenerate such areas, the coalition must tell people, as the hon. Member for Ceredigion (Mr Williams) said, how seaside holidays and attractions in coastal towns will be advertised to appeal to visitors, following the 34% cuts to VisitBritain and VisitEngland and the 32% cut to the English Heritage grant. As the hon. Member for Southport said, what role will local enterprise partnerships play now that the Government are going to abolish regional development agencies? Will LEPs have any responsibility for the regeneration of our seaside towns?

The hon. Members for Newton Abbot and for Ceredigion referred to the impact on the tourism industry of the VAT rise to 20%. Has there been an impact assessment of its effects on our seaside and coastal towns? If so, I would like to see it. In short, what is the Government's strategy for ensuring that tourism is supported so that it can continue to play an integral part in our seaside and coastal towns? Without Government support, British seaside towns and the people who live and work in them face another period of decline.

It is not enough to rely, as the Conservative party so often does, on the power of the private sector. I spoke to Peter Hampson, director of the British Resorts and Destinations Association, this morning, and he shares my concerns that, if the challenges facing seaside resorts are not addressed, if resorts are not protected and developed, and if budgets to attract tourists to them are consistently cut, then people will simply go elsewhere.

The coalition needs to answer a question for the tourism industry: the people whose livelihoods rely on seaside and coastal tourism and those who have chosen to make their lives at the British seaside. How much of the overall spend on promoting tourism will be directed to seaside towns? What plans do the Government have

[Gloria De Piero]

to ensure that work to support and regenerate seaside towns will continue? How can the Government expect the private sector to invest in seaside towns without seeing a clear lead from Government and the public sector? Without a clear and cohesive public policy to support seaside tourism and seaside towns, the risk is that places such as Ramsgate in the constituency of the hon. Member for South Thanet and other coastal resorts, about which we have heard a lot today, will decline once again.

3.48 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): It is a pleasure to have you as our Chairman today, Mr Crausby. I echo other hon. Members' thanks and congratulations to my hon. Friend the Member for South Thanet (Laura Sandys) on securing the debate and leading it so well. She demonstrates that she is sticking up for her constituents in an incredibly effective fashion. Her lead has been followed during the debate by a great many other Members from seaside towns all around the country.

I think it was the hon. Member for Southport (Dr Pugh) who pointed out that although the problems and issues faced by seaside towns have a common thread running through them, seaside towns are different in different parts of the country. However, on the basis of today, if one thing about every seaside town is clear, it is that they all have a pretty determined local Member wanting to stick up for them here in Westminster. To put it politely, we are all as biased as each other, and convinced that our seaside town is far better than anyone else's. I suspect that I fall into the same category, because I am of course convinced that Weston-super-Mare is the best seaside town in the country—I am getting frowns from the rest of the room.

Important points have been made. I will not take them in any particular order, but will endeavour to respond to as many of the questions and points raised as possible in the limited time available. There has been a shared conviction throughout the debate that tourism is an incredibly important part of the regeneration opportunities available to any seaside town. Tourism provides a superb opportunity for rapid economic growth in a financially efficient fashion.

We are lucky in the coalition Government to have a Prime Minister who was willing to mark his enthusiasm for the sector and recognise its importance by making a speech about it in August. Older hands at DCMS tell me that they cannot in recent decades remember a Prime Minister making a speech about the visitor economy within the first 100 days of a new Administration, and making the point that the sector is so important to the British economy that he wants to put it front and centre of the Administration's economic plans. We are lucky to have the prime ministerial wind in our sails; it is tremendously helpful to have that kind of support. That is because, as a number of Members have rightly pointed out, tourism cuts across a wide variety of different Departments in Whitehall, so it is up to me and anyone else interested in the visitor economy to make the case for tourism in the Department for Transport, in the Home Office and with the UK Border Agency, and in all the different Departments that tourism touches. It is essential to ensure that everybody knows that we have high-level patronage and a great degree of importance attached to the industry.

The most commonly mentioned concern and opportunity was marketing. It was raised by a series of Members—my hon. Friend the hon. Member for Newton Abbot (Anne Marie Morris), the hon. Member for Ceredigion (Mr Williams), my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), the hon. Member for Southport, and my hon. Friends the Members for Great Yarmouth (Brandon Lewis), and for Hove (Mike Weatherley); apologies to anyone I have left out. Marketing is essential, because since the 1980s seaside towns have faced the difficulty of establishing a new USP, or unique selling proposition—a new position within the market to bring people to them in the wake of the relative decline of the UK seaside bucket-and-spade holiday, after everyone started going to Spain and other places on cheap charter flights.

Some places have managed that brilliantly. We can all think of examples round the country where seaside towns have done well: Bournemouth has done extremely well out of the conference trade; Rock in north Cornwall has done well out of food tourism; festivals have brought seaside towns to life; and funfairs are one of the major draws to Blackpool, even now. A lot of development capital is going into the Blackpool seafront as we speak. There are ways of re-positioning a seaside town, by establishing a new marketing position that creates a new draw and underlying raison d'être. However, it is up to that individual seaside town to come up with its specific local example and to put it out there, so that people know why they might want to come to Weston-super-Mare, Hastings or wherever.

It is essential that the Government help that process to happen. The Government cannot do that from the centre, and tell any one seaside town what its new USP ought to be. That has to come from the local economy and the local tourism industry, supported by the local authority. One of the coalition Government's most important initiatives is to assist the birth of a new kind of destination management organisation—a new kind of local tourism board, whatever it is called. It will be led by the local tourism industry, which lives or dies by the success of its local destination. We all have examples in our constituencies of well-run, high-powered, large and small local tourism firms that know what is right for them, and for Weston-super-Mare, Hastings or South Thanet. It is up to them to tell us what to do, and for us to ensure that they can create a destination marketing organisation that will position the town and attract new visitors to it on a sustainable basis.

That means that we need to have an organisation that is primarily managed and led by the local industry, rather than by the public sector. The public sector needs to support, help and do what it can, but we want the local industry to take a hard-headed commercial look at what the town can offer to visitors, and then market the heck out of it in the most commercially savvy way.

That means that the new DMOs, or whatever we want to call them, will essentially be managed and led by the local tourism industry. It is essential that that takes place. Equally, it is worth remembering that the phrase "destination management organisation" is not the same as "destination marketing organisation", though they share an acronym. It is vital that when we have

created the local destination marketing organisation, it acts as the voice of the visitor in the local community. The local industry should say, "It is essential that, working in conjunction with the local authority, we are able to frame our local tourism industry and attractions, and organise the local public spaces, in a way that shows off our town and its attractions to the best advantage." That means it must have a strong voice—a seat at the table—with the local authority, and act as the voice of the industry and the visitor in any decisions that the local authority may take, in order to ensure that each seaside town's unique charms are shown off to their best.

That is how we need to reform marketing. There will be a new kind of partnership marketing, a partnership between the local tourism industry and the local authority—ideally with matched funding—so that we can maximise the money being spent in an effective, commercial way to promote each seaside town to the utmost.

A number of Members, including my hon. Friends the Members for Blackpool North and Cleveleys, and for South Thanet, mentioned social tourism. That is a particularly interesting idea that I discussed recently with Mr Tajani from the EU. There is an EU-wide programme called Calypso under way at the moment. It is an interesting notion that we need to explore carefully. Members will be aware that there is a very limited pot of public funding. Therefore, anything we do in this area has to be done in the way described by my hon. Friend the Member for South Thanet; as she said, we do not have to spend additional public funding on it. I welcome that instinct; I think she is absolutely right to say that we need to come up with solutions that will not add to the burden on the taxpayer. If there are proposals coming out of the new all-party parliamentary group that is being set up, I will be interested to hear them. We are also engaging with the European effort via Mr Tajani.

The issue of daylight saving was raised by my hon. Friend the Member for South Thanet. I will not add much to that, because the subject was debated fully on Friday. The tourism industry is very much behind the initiative. It is convinced, as are other industries such as retail, that it will greatly help the sector. However, it is not as simple as that, as I am sure my hon. Friend will realise, because grave concerns about the impact on quality of life have been expressed by our colleagues in the north of Scotland. It would be dangerous—and potentially divisive—for the rest of Britain, and certainly England, to impose a solution without the consent of Scotland. A point made strongly on Friday was that any progress needs to be made through consensus, having built up a democratic voice across the UK, rather than having one sector of the country trying to impose the change on another. We have the opportunity to build such a consensus, because the Bill is to go into Committee, and I welcome that.

There were a couple of comments about VAT and business rates. That is a tremendously important area, but I am conscious of time coming to an end, so I shall be brief. We dealt with business rates during an intervention, pointing out that the Chancellor of the Exchequer has already announced that there will be an opportunity in future for local authorities to keep some of the proceeds of growth from the additional business rates that are created by local economic growth, potentially generated by the tourism industry. That will provide local authorities with a powerful incentive for getting behind local tourism bodies that are trying to drive economic growth through tourism; they will have a strong financial incentive to take part and assist, which they did not in the past.

I have received representations from the tourism industry about VAT on a number of occasions. I have given the industry the following challenge on that issue. We all appreciate that we have a huge financial deficit—bequeathed by the previous Government—that needs to be closed. It would therefore be extremely difficult for any Chancellor of the Exchequer to hand out tax reductions in the short to medium term. The challenge the tourism industry needs to face up to is this: if it wants a better deal than any other sector of the economy, it needs to explain why it is more important than all the others, which will also be asking for a special deal on VAT or other taxes. That will include the miners, the banks, the IT sector and all other sectors of our economy. If that case can be made, I will be delighted to make representations to the Treasury—but not until then.

Rail Services (Nuneaton)

4 pm

Mr Marcus Jones (Nuneaton) (Con): I am delighted to have the opportunity to discuss an extremely important matter for my constituents, namely the provision of rail services to Nuneaton. I thank my hon. Friend the Minister, who has taken time from his busy schedule to respond to the debate. I also thank those of my hon. Friends who are here this afternoon for their support; the issue clearly affects neighbouring constituencies as much as it does mine.

My hon. Friend the Minister will no doubt be fully briefed on the subject. However, it might be of some assistance if I first set out the history and background to Nuneaton station. I shall then speak about the west coast main line and lastly about local services, particularly the Nuneaton to Coventry service.

Nuneaton station was opened in 1874, when the London and North Western railway opened the Trent valley section of the west coast main line. It was built to avoid the congested areas of Coventry and Birmingham—even then, we had problems with rail capacity. Unfortunately, Nuneaton's rail services were considerably reduced under the Beeching axe of 1963. That led to the closure of Nuneaton Abbey Street, Stockingford and Bedworth stations later that year. In addition, in 1965 the Nuneaton to Coventry line was closed to passengers. Happily, in 1988, under the previous Conservative Administration, the Nuneaton to Coventry line was reinstated for passengers, as was the station at Bedworth.

Nuneaton's association with the west coast main line has not always been a happy one. Tragically, on 6 June 1975 six people died and 38 were injured when the Euston to Glasgow sleeper express crashed just outside the station. The train was carrying the then Labour Minister for Agriculture, Fisheries and Food, Fred Peart, who survived after a short spell in hospital. I do not remember much about the crash as I was only one at the time, but I have seen the dramatic press photographs of that awful incident.

Let me deal with the specific issues that affect Nuneaton rail services. The first is to do with the west coast main line. Traditionally, Nuneaton station's place on the west coast main line has been a great advantage. Nuneaton enjoyed fast hourly services to London and the north-west, peak and off-peak, until 2008. In that year, the very high frequency timetable was introduced, at which time fast off-peak services from Nuneaton disappeared.

Mark Pawsey (Rugby) (Con): I congratulate my hon. Friend on securing this valuable debate. My constituency is immediately adjacent to his, and those who live in the north of my constituency are served by Nuneaton station. Does my hon. Friend agree that one problem is that investment in the west coast main line led to an imperative on the operator to minimise city-to-city times? One way to achieve that was to reduce the frequency of stops at stations such as Nuneaton and Rugby.

Mr Jones: I totally agree with my hon. Friend. I shall return to the subject later.

Passengers wanting a fast service from Nuneaton now face the significant inconvenience of having to take an additional train to Coventry or Rugby to pick up a fast service. The alternative is to make a 30-minute car journey to Coventry or Rugby to catch the fast train.

I campaigned on this important issue before the general election. I wrote to the Department for Transport and to Virgin Trains, the train operator. The response was most unsatisfactory. The Department for Transport blamed timetabling changes on the operator, and the operator blamed the Department for Transport. Neither offered a solution to the loss of amenity for passengers from my constituency. That loss of amenity is substantial, and I fear that it will greatly reduce Nuneaton's ability to attract inward investment from business and commuters. That is particularly galling given that we are now only an hour away from London and from the north-west.

Dan Byles (North Warwickshire) (Con): I, too, congratulate my hon. Friend on securing this debate. I echo what was said by my hon. Friend the Member for Rugby (Mark Pawsey).

Does my hon. Friend agree that the problem is much wider and that it affects not only the people of Nuneaton but people from Bedworth and the surrounding area of my constituency? They rely just as heavily on effective and fast rail services from Nuneaton station.

Mr Jones: As my hon. Friend knows, Nuneaton and Bedworth borough council takes in part of his constituency. People from Bedworth, too, have been disadvantaged by the timetable changes.

That brings me to the future of timetabling. Under the previous Government, there was an unfortunate tendency for too much political interference with timetabling. That often prevented operators from giving better services, including the sort of improvements demanded by my constituents. I was therefore greatly encouraged that the coalition agreement included the clear intention of looking at rail franchising differently, and of considering how the Office of Rail Regulation works so that we have a more powerful regulator. I hope that the Minister will assure me that the regulator's role is to be strengthened, and that we will see improvements in rail services from my constituency.

I am aware of this week's announcement on rail franchising, and I broadly welcome the statement. However, I am slightly concerned about the proposed west coast main line refranchising. That will be let from 2012 to 2026, when the first trains are projected to start running on High Speed 2. I was initially led to believe that HS 2 would improve high-speed rail capacity on the west coast main line. However, having had many conversations on the matter with various interested parties, I am slightly concerned that that may not be the case. Will the Minister assure the House that fast services on the west coast main line will survive post-HS 2?

David Tredinnick (Bosworth) (Con): I thank my hon. Friend for allowing me to intervene. The problem affects my Hinckley constituents as it does those of surrounding areas.

I might be able to help my hon. Friend. I believe that the 16.10 Euston to Bangor train may stop at Nuneaton when the new Pendolino trains come into operation. My right hon. Friend the Minister of State at the Department for Transport made that point in a letter to a user group. Has my hon. Friend received information on similar lines?

Mr Jones: I thank my hon. Friend for that. I have not received that information, but if what my hon. Friend says is right, it is most welcome.

It is important that the preferred bidder on the west coast main line deals with a number of points. First, consideration should be given to Nuneaton's becoming a regular pattern stop, as it once was, to enable more frequent fast services to run from there. Secondly, we should end the moderation of competition rules to allow new providers into the market. I am fully aware that if substantial investment is involved, it may impede changing the rules in that regard. Substantial upgrade work was undertaken at Nuneaton station in 2004, so I hope that changing the rules will not be so much of an issue. I am also aware that open access providers have been assessing the viability of providing additional services on the west coast main line, which brings me to my next important point.

I have discussed capacity with a number of operators and potential operators. My discussions all lead me to believe that there is additional capacity on the west coast main line. If the Minister would confirm that this possibility is under definite consideration, I would be most grateful. Rail usage at Nuneaton has increased over the past five years by 37%, and I have little doubt that there is still capacity to increase it. The neighbouring constituencies of my hon. Friends the Members for North Warwickshire (Dan Byles) and for Bosworth (David Tredinnick) and mine give a catchment area of more than 300,000 people, which has substantial potential.

Having set out my case for additional fast services on the west coast main line, I should like to turn now to the provision of local services, particularly the link with Coventry. My hon. Friend the Minister is no doubt aware of my interest in this matter. He knows, too, that the Secretary of State has kindly arranged a meeting with me next week, which will be attended by several colleagues.

The importance of the link between Coventry and Nuneaton cannot be overestimated. Coventry is the closest city to my constituency. Statistics show that there is a clear correlation between the more affluent areas in my constituency and a travelling distance of 10 and 15 miles to the workplace, and Coventry is the only geographical location that fits that description. There is currently an hourly service from Coventry to Nuneaton, with a stop at the neighbouring town of Bedworth.

Access to employment opportunities for my constituents is vital, as indeed is access to both Warwick and Coventry universities for higher education opportunities. If we are really serious about improving social mobility within the areas of relative deprivation in my constituency—there are a number of such areas in the bottom 20% of the national deprivation indices—improved rail services will play a vital part in closing that gap. An example of how the inequality gap can be bridged is demonstrated by Coventry's plans to redevelop part of the city centre that surrounds the railway station. The redevelopment scheme is projected to create some 15,000 jobs, from which my constituents would benefit if only there was more convenient rail access for them.

That brings me to the Ricoh arena, which is home of Coventry City football club and the Arena Park shopping centre. Some 600 people are employed there and further development is envisaged. Both facilities are adjacent to the railway line, but, currently, there is no station for a stopping train. That is perverse given that the arena contains not only a large shopping area and conference venue but a stadium, which is set to host football matches during the 2012 Olympic games.

Mark Pawsey: My hon. Friend will be aware that the reason for the location of the football stadium—immediately adjacent to the railway line—was that the primary means of access would be by train, yet there is no station. I agree with my hon. Friend that we need to press for such a facility to be introduced at the earliest opportunity so that people from across the country can easily get to the stadium, particularly in time for the rugby world cup in 2015.

Mr Jones: That is a perverse situation. On the drawing board, it was envisaged that there would be a station adjacent to the stadium. Unfortunately, it has never materialised. It has been under discussion for 10 years, I think, and, unfortunately, it was very much neglected by the previous Government.

The improvement of Nuneaton's rail services has been recognised as an issue of great importance for nearly a decade. It is a conundrum that has been greatly ignored. I hope that the coalition Government will give the matter much more urgent and sympathetic consideration. Capacity can be improved, and frequency and usage increased by taking the following measures: improving the line's infrastructure, including a new platform at Coventry; providing new stations at Bermuda in Nuneaton and at the Ricoh arena; and providing additional rolling stock.

There is a huge lack of capacity at Coventry station, because the Nuneaton-to-Coventry service currently shares a platform with the fast service that connects to the west coast main line. At the moment, providing more local services has to be traded against the loss of the fast services on the west coast main line from Coventry, which is clearly not going to happen and is not an option. An additional station bay at Coventry station would remove the current impediment and allow for a twice-hourly service between the two stations of Nuneaton and Coventry.

A new station at Bermuda in Nuneaton would further strengthen access to the service, particularly from the adjacent area of relative deprivation. The Ricoh arena station would increase opportunities for my constituents to reach a greater diversity of employment and provide much improved access to the arena when matches and events take place. It could also strengthen the position of Nuneaton as a pleasant place to stay during such events, thus increasing the chances of inward investment for the hotel, leisure and hospitality industry.

As I mentioned earlier, additional rolling stock will be required to achieve these improvements. I was glad to see in the Secretary of State's recent statement that an additional amount of new rolling stock is to be introduced to the overall network. I hope that such an investment will enable existing stock to be moved to lines such as the Coventry to Nuneaton line. I ask my hon. Friend the Minister to take these arguments back to the Department, where I know that an assessment of the Coventry to Nuneaton upgrade project is now under way.

In conclusion, I hope that I have set out an argument based not just on narrow and parochial terms but on economic and social grounds because improvements in

[Mr Marcus Jones]

services would lead to real benefits for constituencies across Coventry, Warwickshire and Leicestershire. Such benefits would inevitably help a region that has really suffered under the recession that was bequeathed by the Labour Government and reinvigorate an area in which private-sector growth and jobs are badly needed after years of decline.

4.15 pm

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on securing this debate and on providing an opportunity for the House to debate rail issues at Nuneaton. Let me preface my remarks by referring to recent statements by the Secretary of State. I hope that my hon. Friend is pleased with the level of the Government's investment in rail. We recognise the value of rail both in helping growth and cutting carbon emissions.

Let me turn first to the west coast main line. The £9 billion west coast route modernisation project renewed and upgraded the country's key main rail line. It accommodates many long-distance passenger trains and numerous local and regional passenger services, and handles 40% of the nation's rail freight business. It was a good example of the railway industry pulling together to deliver a very important project.

Modernisation has delivered a successful and robust railway that has headroom for passenger and freight growth. The west coast main line regularly achieves more than 90% reliability. Passenger growth has been very encouraging, with 4 million additional journeys following the completion of route modernisation, and I expect the growth to continue. This week, I noted that the first new 11-car train of the 106 Pendolino vehicles on order was delivered to the UK for testing and approval ahead of passenger service. Given the level of investment in both the trains and the infrastructure, it is important that the west coast main line timetable secures the best return for taxpayers on the money spent. The timetable ensures that rail contributes the maximum possible to the overall transport network of the country. It has delivered a significant modal shift from car and air. Rail has now doubled its share of the London-to-Glasgow market to around 13%, and to between 75 and 80% of the London-to-Manchester market. Rail serves those markets well.

The current timetable maximises the use of line capacity and fleet resources. However, some difficult choices had to be made when the current west coast main line timetable was designed. As my hon. Friend knows, a few established services and calling patterns were changed. No towns were left isolated. Overall, the vast majority of passengers have benefited, as is demonstrated by the growth that is now being witnessed. Headline improvements delivered with the completion of modernisation include: three trains an hour to both Manchester and Birmingham; new hourly all-day services from London to the Trent valley, Crewe to London and London to Chester; significant journey time reductions, including London to Warrington and Preston to Glasgow services, which are now 30 minutes faster, and London to Liverpool, which is 25 minutes faster; and a full weekend service with journey times and frequencies very similar to weekdays.

I am sure that my hon. Friend agrees that all such improvements are very welcome. One of the difficult choices was the decision to remove the Nuneaton stop from Virgin and west coast off-peak services. Unfortunately, it is not a high-earning station in off-peak times or one where business is likely to grow significantly when compared with other opportunities on the line. Quite simply the revenue and growth opportunities are much greater elsewhere.

The removal of the fast off-peak service was forecast to lose around £200,000 in revenue from Nuneaton. That needs to be set against the £600 million that modernisation will have generated between 2003 and 2011. In the current service pattern, London peak traffic, which accounts for the vast majority of demand and revenue at the station, benefits from a standard journey time of around one hour for the 97 miles. The fastest journey achieves an average speed of over 100 mph, which is one of the fastest commuter services in Europe. To serve more diffuse evening peak travel patterns, fast Virgin services continue to call at Nuneaton throughout the evening.

Off-peak services are provided by the new 100 mph air-conditioned Desiro trains that are operated by London Midland. These services give Nuneaton new hourly direct journey opportunities to towns such as Stoke, Tamworth, Rugby and Milton Keynes. They also provide the opportunity of cross-platform connections with Virgin west coast services at Rugby, giving a total journey time of one hour and 12 minutes to Euston. The previous direct hourly train completed the journey in the longer time of one hour and 15 minutes.

The timetable proposals for the current west coast main line services were widely consulted upon and welcomed in many parts, particularly in the north-west of England. However, I suspect that my hon. Friend wishes to promote Nuneaton's case further. Therefore I urge him to comment on the consultation draft of the Network Rail west coast main line route utilisation strategy, which is published today. Nuneaton stakeholders will also get the opportunity to present their case during the consultation phase of the west coast franchise competition. The Government plan to issue an invitation in the Official Journal of the European Union for the competition in January 2011 and in due course we will issue the inter-city west coast franchise consultation document. I also urge my hon. Friend to discuss his ideas with the accredited franchise bidders once they have been selected.

The Secretary of State recently gave his approval for Network Rail to proceed with construction of the north chord, which will improve the capacity and reliability of the west coast main line and provide freight trains from the east coast with improved access to the midlands and the north-west. I am pleased to tell the hon. Gentleman today, if he does not already know, that that project has recently attracted €5 million of European Union funding from the trans-European network towards its £29 million cost. I expect construction to start in spring 2011 and take about 18 months to complete.

The hon. Gentleman asked a couple of questions about the west coast main line. In particular, he asked what would happen when the new high-speed line opened. I am advised that it is too early to say what the stocking patterns will be on the west coast main line, but it is obviously anticipated that the faster inter-city services

will use the new high-speed line. Perhaps he will want to have discussions with my right hon. Friend the Member for Chipping Barnet (Mrs Villiers), who is the rail Minister, closer to the time, to ensure that the inter-city services are properly factored into the timetable for the west coast main line as it pertains after High Speed 2 opens.

The hon. Gentleman also asked about spare train paths on the west coast main line, in particular whether there were any spare train paths for open access operators. I am advised that the Office of Rail Regulation is investigating that matter, but the key question is whether it is best for an open access operator or for an additional franchise service to use any spare train paths. Open access operators would provide perhaps five trains a day. London Midland has also applied to improve the London to Crewe service. So we must reach a balance in the public interest between the open access arrangements and what might come in from a franchise operation. Nevertheless, his comments are noted by my colleagues.

Let me consider the Coventry to Nuneaton upgrade. Earlier this year, we received a business case submission from Coventry city council, Centro and Warwickshire county council. As the hon. Gentleman knows, the upgrade consists of doubling the frequency of the service between Coventry and Nuneaton, new stations at Bermuda—is that right? I thought that Bermuda was elsewhere.

Mr Marcus Jones: It was named after the country.

Norman Baker: As I was saying, there will be new stations at Bermuda and the Ricoh arena, and longer platforms at Bedworth. To accommodate the more frequent service, a new bay platform will be required at Coventry station, to which the hon. Gentleman referred. As he knows, all those features are included in the bid.

Consideration of the bid was put on hold pending the spending review. The Department's spending review settlement was a good outcome for transport, but it was not sufficient to fund the full pipeline of schemes prioritised under the previous system of regional funding allocations. Tough decisions are necessary to get the best value from the available public funding.

The Coventry to Nuneaton rail scheme has been included in the pre-qualification pool for funding from the local major transport schemes budget. That is because we have not yet verified the scheme's value for money. We will conduct a preliminary sift and make decisions by January about whether that scheme and other such schemes can join the development pool. The decisions in January will be based largely on the ability to deliver significantly within the spending review period and the scope for reduced Department for Transport contributions from those most recently requested, as well as the potential for a scheme to demonstrate a compelling value-for-money case by the final 2011 deadline.

We also need to ensure that some of the more challenging aspects of the scheme are fully addressed. They relate primarily to the ability of the railway to handle the size of the crowds that are forecast for major events at the Ricoh arena and the availability of rolling stock, especially for evening events at the venue. The hon. Gentleman will appreciate that there is a safety issue in relation to huge numbers of people turning up at a relatively small station to try to access a short train; that is a serious issue with using rolling stock for such events at the Ricoh arena. We are now reviewing the business case and we are in regular contact with officials at the three authorities to seek further clarification about certain matters to ensure that we have all the information we need for the sifting process in January 2011.

As I have said, there are a large number of extant schemes in the pipeline. I am sure that some will drop out because they will not be progressed by the promoters of the schemes, and we hope that other schemes will see a reduced cost. Generally, the more we can reduce the cost of schemes, the more likely it is that we can proceed with more of those in the pipeline.

Dan Byles: I am grateful to the Minister for giving way; I am conscious that we are short of time. Some of my constituents are concerned that high-speed rail—HS 2—and the level of investment that will be required for that project could lead to a crowding-out of investment in more local rail services. Can the Minister give us an assurance that, if high-speed rail goes ahead, that will not happen?

Norman Baker: I hope that high-speed rail is going ahead. The Government have made it very clear in the coalition agreement that we are committed to it and the Secretary of State has been working very hard on it, taking personal responsibility for promoting it. However, my hon. Friend will also have noticed that, since the formation of the coalition Government, we have announced, for example, the progress of 2,100 new carriages; an electrification programme across the country; that Crossrail is going ahead in its entirety; that the Thameslink programme is going ahead, and new light rail extensions in Birmingham and Nottingham. The public at large can be in no doubt that the Government are committed to investment in rail: high-speed rail; conventional rail, and indeed light rail. We see that investment as a way of creating growth in the economy and cutting carbon emissions. I can therefore give him an absolute assurance that we will not see local services carved out. We are determined to ensure that rail has a future, both for local services and for high-speed services.

The Secretary of State will be happy to give my hon. Friend the Member for Nuneaton more detail about the Coventry-Nuneaton line in the meeting that I understand has been scheduled between them for later this month.

Mr David Crausby (in the Chair: Order. As the Member who has secured the next debate and the Minister who will respond are present, we will begin.

Civilian Deaths (Ballymurphy)

4.27 pm

Mark Durkan (Foyle) (SDLP): It is a privilege to open this Adjournment debate under your chairmanship, Mr Crausby.

On Monday 9 August 1971, the then Northern Ireland Government introduced internment without trial. That policy was dramatically and drastically imposed by the British Army. It could only have been implemented with the sanction and counsel of the British Government and their agents. It was a misguided and counter-productive response to the security and political concerns of Government at the time. However, in today's short debate, we need to consider first not the longer-term fallout from the disaster of internment, but an immediate fatal atrocity that was perpetrated with its imposition. On 9, 10 and 11 August 1971, 11 innocent civilians were killed in the Ballymurphy area of west Belfast by the Parachute Regiment, the same regiment that was specially deployed to Derry months later on 30 January 1972—Bloody Sunday.

The fact that 11 innocent victims of Ballymurphy were killed over three days at a time of wider, serious conflagration, repression, violence and many other deaths meant that Ballymurphy was not really landmarked as an atrocity in its own right, either at the time or for some time after. That is why the victims' families and the people of Ballymurphy have challenged us all to acknowledge that theirs has been the forgotten atrocity. They have resolved that it will be forgotten or passed over no more. They need to set their truth free, to have the innocence of their loved ones fully vindicated, to have the enormity of what was perpetrated and then papered over fully understood, and to have responsibility taken for those awful events by the forces and power of the state.

I salute the dignity and determination of the families who have come together in such a purposeful and powerful way, and who have lobbied all the parties in Northern Ireland, the Irish Government and the British Government. In recent times, they have been briefing Members of this Parliament about those dark events that have been frustratingly and disturbingly overshadowed for too long.

Chris Ruane (Vale of Clwyd) (Lab): I was lobbied by the sons of one of the people murdered, and I was taken aback by the ferocity of the force used on that day. A mother had half her face blown away. People lying wounded on the ground were shot at point-blank range. Wounded people were taken to the barracks and killed there. Atrocities were committed, and I fully support my hon. Friend in his fight for justice.

Mark Durkan: I thank my hon. Friend for that intervention. He rightly brings us to the details of what happened during those three days in Ballymurphy. I acknowledge that these were not the only deaths that occurred during that period; in fact, there were 28 deaths in total. The wider scale of the deaths should not be used by anyone to diminish the seriousness of the questions that must be asked about Ballymurphy, nor should those questions diminish the seriousness of the grief felt by the families of other victims killed then and since. It is important, if that atrocity is not to be forgotten, that the victims should not be forgotten. Particularly in a debate such as this, their names and what happened to them should be remembered.

The first victim, on 9 August, was Father Hugh Mullan, who was shot as he carried a white cloth while going to the aid of someone else who had been shot and wounded. In a debate in the main Chamber of the House of Commons, the hon. Member for Keighley (Kris Hopkins) spoke poignantly about his regard for the iconic image of Father Daly in Derry on Bloody Sunday. In Ballymurphy, another priest with a white cloth went to the aid of a victim, and that priest was shot. When Frank Quinn, seeing him lying wounded, went to his aid, he too was shot. Both of them were then shot further as they lay on the ground. A priest who went to the aid of an injured parishioner was killed, and someone else who came from his place of safety into Army gunfire was killed as well.

The third victim was 200 yards away. At exactly the time when Father Mullan and Frank Quinn were being shot, the Army was firing near the Taggart barracks at the top of Ballymurphy. Paratroopers were firing indiscriminately. Noel Phillips, a young man of 19, was shot and wounded. As my hon. Friend the Member for Vale of Clwyd (Chris Ruane) said, a woman, Joan Connolly, came to his aid, calling to Noel Phillips that it was all right; she was coming to him. She was then shot in the face. Joan Connolly was a mother of eight.

The fifth victim was Daniel Teggart, a father of 13. He was initially shot while running for cover, but was then repeatedly shot—up to 14 times—while he lay defenceless on the ground. Also on 9 August, Joseph Murphy, a father of 12, was shot in the leg. He received no medical attention; neither did some of the other victims, including Noel Phillips.

On 10 August, the seventh victim, Eddie Doherty, was killed as he made his way home along Whiterock road. A digger and a Saracen moved in to dismantle a barricade blocking the road. From the cab of the mechanical digger, a member of the Parachute Regiment shot Eddie Doherty in the back.

Early in the morning of 11 August, John Laverty, age 20, was shot dead by soldiers. Joseph Corr, a father of seven, was also shot and died of his injuries on 27 August. The Parachute Regiment alleged that both men were firing at the Army. Neither men were armed, and all ballistic and forensic evidence disproved that testimony.

The 10th victim was Paddy McCarthy, a community worker, who was wounded in the hand while attempting to leave the local community centre to distribute bread and milk. Hon. Members must understand that after the introduction of internment, no normal commercial or other services were running, so people engaged in that sort of operation at the community level. After Paddy McCarthy decided to continue with his deliveries hours later, he was stopped by soldiers and beaten. He suffered a massive heart attack and died as a result of that ordeal.

The 11th victim, John McKerr, was taking a break from his work at Corpus Christi church in Ballymurphy and had walked 50 yards from the chapel gates when a British sniper shot him. Local residents went to his aid and remained at his side until an ambulance arrived, but he died of his wounds on 20 August.

I read out those details because when we talk about events such as Ballymurphy, all of us can speak in shorthand using particular names and locations, but it is important to remember specific events. This is the first debate on this subject, although I believe that there will be others, so it is important that the background facts are spelled out.

One problem at the time was that the Royal Ulster Constabulary did not investigate the deaths, because that was not the done thing in those days. The arrangement was that killings and other actions by the Army were investigated by the Royal Military Police. As we know from the findings of the Historical Enquiries Team, those interviews seem to have been conducted on a tea-and-sympathy basis. Officers' versions of the circumstances and their actions would become the RMP's accepted version, which would then become the received version accepted by both the Northern Ireland Government and the British Government of the time. The RUC was basically left to accept those conclusions as a matter of fact. For those reasons, the killings were not properly investigated at the time.

Several hon. Members *rose—*

Mark Durkan: I will give way to my hon. Friend the Member for South Down (Ms Ritchie) first.

Ms Margaret Ritchie (South Down) (SDLP): I commend my hon. Friend on securing this debate. I, too, have met the Ballymurphy families in Westminster, at Stormont and in Ballymurphy. I am struck not only by their innocence but by their sheer humility and need to find justice and truth. Does my hon. Friend agree that the activities of the Parachute Regiment must be examined in connection with their use and deployment at the time in Belfast, Derry and throughout Northern Ireland?

Mark Durkan: I thank my hon. Friend for that point. Wider questions must be asked of the powers that be, in both military command and political oversight, about how the Parachute Regiment was deployed in Northern Ireland in those days. Clearly, the Parachute Regiment's behaviour in Ballymurphy should have been factored into the thinking about its future deployment. People should have had that in mind when it was decided to send the Parachute Regiment, specifically, to Derry for Bloody Sunday. Of course, the Parachute Regiment must account not just for the deaths in Derry and Ballymurphy, but for the killing of two innocent Protestants, Mr Johnston and Mr McKinnie, in September 1972 on the Shankill.

Stephen Pound (Ealing North) (Lab): My hon. Friend's words hang heavy in the air, and it will take more than the wind of history to blow them away. In a speech last month, my hon. Friend the Member for South Down (Ms Ritchie) referred to the stigma still attached to the families. Does he believe that an inquiry could finally establish the innocence of the victims, bearing in mind the statements that were released at the time, which appeared to give a contrary impression but were never substantiated?

Mark Durkan: Yes, I believe that it could. The state adopted the view at the time that what the Royal Military Police established in its inquiries with the soldiers who carried out the actions would be the official, received version of events. So long as the state does not specifically repudiate that version of events, it will be left hanging there. That is one of the reasons why the families want to see that version properly probed and resolved, not just for themselves, but because there are surely wider questions for us all about how the state could conduct itself in that way and ignore the serious questions that arose as a result.

Naomi Long (Belfast East) (Alliance): I commend the hon. Gentleman on bringing up the matter in a debate in Westminster. As Lord Mayor of Belfast, I had the opportunity last year, and even before that, to meet the families of the victims. Does he agree with me that in both Ballymurphy and Bloody Sunday—the two incidents have to be looked at as related—the pain of loss was compounded by the fact that those who were victims of a crime were effectively treated as though they were in some way guilty?

Mark Durkan: The hon. Lady has put her finger on an important point. I do not talk about the victims of Ballymurphy or Bloody Sunday as if they were the only people who suffered grievously and need truth and justice, because there are many other victims of other forces or self-styled forces who are also due that. However, one thing that sets the victims of Ballymurphy and Bloody Sunday apart is that they were denied the promises, albeit hollow promises, made by the state at the time that no stone would be left unturned in the pursuit of justice. The state and its political establishment denied them the sense of solidarity that other victims were given. They were accorded no sympathy or recognition of their innocence. Their innocence was impugned, because the suggestion was that they had somehow conspired to bring death on themselves or others.

That is one of the reasons why the other victims who not only received mortal injuries but found themselves in the twilight zone of state condemnation are due vindication and proper affirmation of their innocence through independent international assessment, and that is also why someone must be held responsible and why responsibility must be taken. That is important, not least in the light of the important and positive statements that the Prime Minister made when the Saville report was published, and in the light of those important findings themselves. The Prime Minister said several times on that day, and it was repeated on the day of the Saville statement and when the report was debated last month, that the Government take responsibility. It is important that the families of the victims of Ballymurphy hear someone take responsibility for those events.

Thomas Docherty (Dunfermline and West Fife) (Lab): My hon. Friend has been an absolute champion, as have his colleagues, of those families for many years, and I am sure that he will ensure that they are never forgotten. Does he agree with me that, although the role of the Parachute Regiment, who were quite clearly murderers in this case, should not be overlooked, the state itself had a failing, and is there not arguably a direct link between its inaction over Ballymurphy and Bloody Sunday? Does he agree that, had the state done the right thing in Ballymurphy, we might have avoided what happened on Bloody Sunday?

Mark Durkan: That is a very pertinent point. The Parachute Regiment committed those killings in one area in a concentrated operation, and just because they did not take place in one day, it does not mean that it was not a concentrated operation. Those deaths were not properly investigated alongside other Army killings.

We now know, because of investigations by the Historical Enquiries Team and work done by the Pat Finucane Centre, that in the autumn of 1971 there were liaison meetings between a representative of the military and the then Attorney-General for Northern Ireland, Basil Kelly, to look at the possible risk of prosecution of soldiers for some of their conduct. The Attorney-General seems to have suggested that prosecutions might have to take place on some matters, such as traffic offences, but he was seized of the need to try to avoid prosecutions for more serious or controversial offences. In December 1971 he decided, on the basis of the shooting of Billy McGreanery that September, that no soldier should be prosecuted for anything they did in the line of duty. As I say, that decision was made in December 1971, and it is hard for those of us who know about that not to believe that in the minds of the Army, that became the going rate, as regards what the yellow card did or did not mean. It meant that they could behave with impunity. It is hard to believe that the Army, and certainly the Parachute Regiment, were unaware of the Attorney-General's decision.

Patrick Mercer (Newark) (Con): I am listening with great interest. Some deeply pejorative statements have been made about an organisation that is being referred to as the Parachute Regiment. The Parachute Regiment is an enormous organisation consisting of three battalions. As the hon. Gentleman will have heard me say during the debate on the Saville report, what we are talking about seems to relate to one battallion, and indeed to one specific company within it. The Parachute Regiment has given invaluable service to this country. It might have had some difficulties and problems and done some wrong things, but I beg that we be more specific about an organisation that is very gallant, and whose services have been well recognised.

Mark Durkan: I thank the hon. Gentleman for that point. By referring to the Parachute Regiment in broad terms, I was certainly not trying to impugn anyone or extend my remarks to anyone who feels that they are in a position to disown and disclaim what happened that day. I am aware that today we heard condolences expressed in the House regarding a member of 3rd Battalion the Parachute Regiment, who lost his life tragically in Afghanistan. I am sensitive to those considerations and take the hon. Gentleman's sensitive admonition in the spirit in which it was intended and in which it was conveyed.

When the Attorney-General made his judgment following the killing of Billy McGreanery, the RUC commander in Derry at the time, having read what the military police had said in relation to the shooting and the statement of the soldier concerned, recommended that that soldier be prosecuted for murder. That recommendation was endorsed at RUC headquarters, and it was the Attorney-General who subsequently created the new rule about prosecutions. That is why I think that all those events raise wider issues that need to be pursued. None of that information was available to the Saville inquiry, because it had not yet been discovered by the Historical Enquiries Team and the Pat Finucane Centre.

Ian Lavery (Wansbeck) (Lab): Does my hon. Friend agree with me that that has to be described as an atrocity? Eleven people died, and yet 39 years on we still have no resolution, no apology has been offered to the families and there has been no independent inquiry. What do the Ballymurphy families need in order to be able to move on with their lives and draw a line under this?

Mark Durkan: I thank my hon. Friend—

Mr David Crausby (in the Chair): Order. I respectfully point out to the hon. Gentleman that this is a 30-minute debate, so if he expects a comprehensive response from the Minister, he will need to give him some time.

Mark Durkan: I was about to thank my hon. Friend for his question and say that I look forward to it perhaps being answered by the Minister. I spoke with the Minister earlier, and he told me how much time he would need and expressed a wish to see interventions taken so that we could have a free-flowing debate.

I hope that the Minister has heard all the points that other Members and I have made, but, most importantly, I hope that he is in a position, working with the Secretary of State, who has already met the families, to address some of the questions that he knows the families have. This debate is to let them and the Minister know that the questions do not come only from the families.

4.50 pm

The Minister of State, Northern Ireland Office (Mr Hugo Swire): I am most grateful to you, Mr Crausby, for chairing this afternoon's proceedings, and I am particularly grateful to the hon. Member for Foyle (Mark Durkan) for securing this debate.

I start with a sin of omission rather than commission. Yesterday was my first encounter across the Floor with the hon. Member for Ealing North (Stephen Pound). I congratulate him and welcome him to his new role as shadow Minister—indeed, he is my shadow. I know him well from the past. We served together on the Select Committee on Northern Ireland Affairs, and I know that he has given that Committee long and distinguished service. Its current Chairman, my hon. Friend the Member for Tewkesbury (Mr Robertson), is here today.

The hon. Member for Foyle spoke in detail today about the Ballymurphy families' campaign. The hon. Members for Belfast East (Naomi Long) and for South Down (Ms Ritchie) stated that they had both met the families as, indeed, have my right hon. Friend the Secretary of State and I. We met them in October to discuss their case. The families recounted their moving stories at length, and we both expressed our profound sympathy for the loss that they had suffered.

We also listened carefully to the families' requests for an independent international investigation, recognition of the innocence of their loved ones, and an apology. We did, of course, note the ongoing independent investigation into the case being carried out by the Historical Enquiries Team. I understand that many of the families do not support that investigation, but it is right that I reiterate this afternoon the Government's

strong support for the work of the HET. It has demonstrated on several occasions, whether in the Majella O'Hare case or the McGreanery case in the constituency of the hon. Member for Foyle, to which he referred, that it carries out its investigations with absolute professionalism and independence.

Furthermore, as I said last night in the Northern Ireland Grand Committee, the HET's projected spend to 2011 is £32.5 million. If we compare and contrast that with the cost of the Bloody Sunday inquiry at £191.5 million, the Rosemary Nelson inquiry at £45.5 million, the Robert Hamill inquiry at £32.4 million and the Billy Wright inquiry at £30.4 million, we can begin to see the good value for money that the HET provides. I understand that the families have presented information to the Attorney-General for Northern Ireland and have asked him to consider using his powers to reopen the inquests into the deaths. Such decisions are, of course, properly a matter for the Attorney-General, not the Government.

Several Members rightly pointed out that the Government need to consider their response to the Ballymurphy campaign in the wider context of how we deal with the painful legacy of Northern Ireland's past. However, we must also consider the wider context of the events in Northern Ireland in August 1971, a time when violence was escalating at a rate that would lead to the bloodiest year in Northern Ireland's history. Between 9 and 11 August, there were 28 deaths in total across Northern Ireland, 11 of which were in Ballymurphy.

The Government's approach to the conclusions of individual reviews and reports is absolutely clear: where wrongdoing or failings by the state are clearly identified, we will accept responsibility and apologise. In that context, I would associate myself more closely with the intervention made by my hon. Friend the Member for Newark (Patrick Mercer) than with the somewhat rash comments made by the hon. Member for Dunfermline and West Fife (Thomas Docherty).

As my right hon. Friend the Prime Minister said in his statement on the Saville report, we do not honour all those who have served with distinction in upholding the rule of law in Northern Ireland by hiding from the truth, but neither do the Government believe that the past can be adequately addressed by focusing solely on the actions of the state. To respond to the point made, I believe, by the hon. Member for Ealing North, that is why we do not believe that selecting a further series of cases to be subjected to a lengthy public inquiry is an appropriate means of addressing the legacy of a conflict that saw more than 3,500 people from all parts of the community lose their lives.

Naomi Long: I welcome the Minister's strong support for the work of the HET, but does he agree that if we are not to have further individual inquiries, the Government must take—and lead—a comprehensive approach to dealing with the past and its legacy? I fear to say that, as yet, that has not been forthcoming.

Mr Swire: Indeed, if the hon. Lady will allow me, I will just say:

> "Having recapitalised the banks, it seems as if we are recapitalising the legal profession in Northern Ireland. I'm sure the pain of the past has been eased in the case of the barristers but I'm not sure whether any material benefit has been achieved for the people of Northern Ireland."

Those are not my words, but the words of the hon. Member for Ealing North, as reported in the *Belfast Telegraph* on 5 November 2004.

Thomas Docherty: Without wishing to compound his ire towards me, can the Minister clarify whether he is therefore criticising the decision to hold the Bloody Sunday inquiry? It sounds as if he is saying that it was held only to line the pockets of lawyers rather than to help bring some comfort and closure to the families.

Mr Swire: The hon. Gentleman should not conflate the two things. I was repeating what the *Belfast Telegraph* reported the hon. Member for Ealing North as saying about further costly inquiries. As for ire directed towards the hon. Member for Dunfermline and West Fife, if I heard him correctly, he made some severe criticisms of the Parachute Regiment which were then picked up by my hon. Friend the Member for Newark.

Various Members, not least the hon. Member for Belfast East just now, asked how the Government thought inquiries could be replaced. We are committed to listening to the views of people across Northern Ireland on dealing with the past. It was clear from the summary of responses that we published to the previous Government's consultation on Eames-Bradley that there is little consensus at present. However, as we emphatically do not believe that the past can simply be shut down, we will continue to seek a way forward.

Stephen Pound: I thank the Minister for his kind words earlier. Much of what he is saying is outside the remit of the HET—and I understand and support his comments about it. What assurance can he give us tonight, what process can he offer, what peace can he bring to those family members who still desperately need nothing more than the truth to be brought out? If not the HET, what?

Mr Swire: The Government are looking in a measured way at options that might command support across the community, including the option of creating an information-sharing process that could help families and the wider society achieve greater understanding of the events of the past 40 years. We are consulting on that. There is no easy or quick answer. I tend to agree with the hon. Gentleman that further costly inquiries are not the way forward, but I stress again that that does not mean that we can bury the past. We have to address the issues, and we will do so in a measured and, I hope, sensitive way.

In conclusion, I welcome this important and valuable debate and again thank the hon. Member for Foyle for bringing the matter to the House. I reiterate that the Government are committed to considering carefully the Ballymurphy case in the context of how we deal with the legacy of Northern Ireland's troubled past.

Question put and agreed to.

4.58 pm

Sitting adjourned.

Westminster Hall

Thursday 9 December 2010

[MR JOE BENTON *in the Chair*]

BACKBENCH BUSINESS

The Future of Pubs

Motion made, and Question proposed, That the sitting be now adjourned.—*(Bill Wiggin.)*

2.30 pm

Karen Bradley (Staffordshire Moorlands) (Con): I am grateful for the opportunity to speak in this debate, Mr Benton, and it is an honour to serve under your chairmanship.

I want to begin debate by thanking the Backbench Business Committee, which gave the all-party save the pub group the opportunity to debate this very important issue. I was about to apologise for the absence of my hon. Friend the Member for Leeds North West (Greg Mulholland), who chairs the group—hon. Members may have noticed that I am not the hon. Gentleman. However, he has now arrived, so I will not apologise for his absence.

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): Just his presence.

Karen Bradley: I am taking the role that my hon. Friend was due to take, because he was participating in the important debate that is under way in the main Chamber.

The all-party save the pub group secured this debate and it is therefore incumbent on me to set out the group's purpose and mission, which is to bring together Members of the Houses of Commons and Lords who want to add their voice to the efforts to preserve and protect the British pub. Pubs are now closing at an estimated rate of 39 a week. The group shares the profound concern that pubs up and down the country are being closed for a variety of reasons, often when they do not need to close, and that more must be done to offer support and make legislative changes to address this problem.

The group shares a belief that the British pub is an important part of this country's history and heritage, and that pubs are hugely important to the communities they serve as a focus for community, social, sporting and charitable activity. The traditional public house also provides a sociable and controlled drinking environment, which is important to encourage responsible sociable drinking.

The group campaigns on a number of issues, including calling for changes in planning law properly to recognise the importance of pubs and to offer more protection to pubs faced with closure; calling for reform of the current model of the beer tie as operated by some of the big pub companies, which makes it impossible for some licensees to make a living and leads to pub closures, for example by making some pubs unviable that would be viable if they were free of the tie; calling for fairer levels of beer duty; challenging the Government to look at supermarket beer pricing, to stop below-cost selling in the off-trade, and to create a more level playing field between the on-trade and off-trade; calling for a change in the law to outlaw the practice of restrictive covenants, whereby companies sell pubs on the basis that they are prevented from continuing as pubs, thus denying a community a pub simply to benefit a company's commercial interests; calling on the Government and local authorities to do more to support community pubs, including using the means of taxation and rates; campaigning to give local communities the right to buy pubs that are planned for closure, and supporting "The Pub is the Hub" scheme.

Mr Greg Knight (East Yorkshire) (Con): Does my hon. Friend agree that members of the previous Government bear a large share of the blame for the predicament that many pubs now find themselves in, first because of the overly bureaucratic Licensing Act 2003, which means that many pubs are now unable to provide live entertainment, and secondly because of the implementation of the heavy-handed smoking ban?

Karen Bradley: I acknowledge my right hon. Friend's comments. Although I do not believe that we want to make this a terribly party political debate, I think that he has made some very valid points.

I will cover some of the issues that I have already raised and on which the all-party group campaigns, and I am sure that colleagues will make their own contributions to the debate. It is incumbent on me to declare my own personal interest in this particular issue. For the last 43 years, my family has run a pub. My grandparents, my parents and my brother have been landlords of the same community pub. My aunt and uncle have also run pubs, so my family has had a long interest in the pub trade.

The pub that I grew up in was originally a tenanted pub belonging to one of the big brewers. It was then granted a long lease, following the beer orders of 1989. It was then bought out by one of the big pubcos. Finally, just over 12 months ago, my family, after 42 years of running the pub, were able to buy the freehold and buy out the beer tie, meaning that for the first time in all those years they were at last in a position where everything that they worked for was for themselves. So, I clearly have quite an interest in this issue. I want to explain what is unique about pubs.

Andrew Griffiths (Burton) (Con): My hon. Friend clearly points out the benefits to her excellent family business of buying the freehold of their pub and running it for themselves. However, does she agree that many pub companies offer a great product to the public, that they provide an opportunity for people to start their own small business and that, in many cases, they play a very important role in their community?

Karen Bradley: I thank my hon. Friend, and I note the points that he has made. My own personal experience of pub companies has perhaps not been favourable. However, I fully accept that they have a place and a role,

[Karen Bradley]

as do brewers, and it is important that we have the pub industry working in a way that supports all types of pubs.

Greg Mulholland (Leeds North West) (LD): I thank my hon. Friend very warmly for taking over this debate from me at short notice. Does she think it striking that small pub companies and indeed small breweries are doing exceptionally well and opening pubs, while the largest pub companies, which have very different business models that have been a cause of concern for the Business, Innovation and Skills Committee, the previous Government and this Government, are in trouble, in debt and having to get rid of pubs every week?

Karen Bradley: My hon. Friend makes a valid and important point. That issue is part of the debate—again, we should not over-generalise and say that all pubcos and all brewers are bad. They are not bad; they are doing a job in difficult economic times. However, it is clear that the smaller ones are perhaps having more success than the bigger ones.

I would now like to explain what is so unique about a British pub. Pub closures are an issue that affects every single Member in this House; every constituency is affected by it. Running a pub is unlike any other business. It is a way of life, not a job. You live on site, and your home is a public house; people come into your home at all hours of the day and night, and expect to be welcomed into your home. Landlords—I apologise for using that generic term, and I want to make it clear that I mean landlords and landladies—have a civic responsibility to provide the heart of the community, and it should not be surprising to anyone in this country that the longest running TV programme in Britain, which today celebrates 50 years on our screens, is based, and has always been based, around the community pub.

Landlords have a responsibility to look after their customers, both in the pub and when they leave the pub. There are very few other businesses where the retailer can be held responsible for the behaviour of customers after they have left the premises. We do not often see a situation in which a supermarket gets into trouble if a customer uses a product that they have bought at the supermarket and then, let us say, disposes of it as litter; the supermarket is not held responsible. However, the pub landlord is held responsible when the customer leaves and engages in antisocial behaviour. Landlords also have a duty to the local community, to work with residents and authorities, such as the police, to ensure good behaviour. In my view, however, the most unique element of the pub business and one of the reasons why I think we are seeing so many pubs struggling is that no two pubs are the same, because pubs are absolutely dependent on the building in which they are located.

Simon Kirby (Brighton, Kemptown) (Con): As someone who has run some 40 pubs in my time, I agree with my hon. Friend that pubs are absolutely essential as the heart of the community. She is absolutely correct in saying that they are all different—all special, but all very different at the same time.

Karen Bradley: I agree absolutely, and that is a very good contribution to the debate.

It is not possible to take what works in one pub, move it to another building and make it work. Pubs have different clienteles, they are in different locations and they have different layouts. I accept that there are some pub chains that have a sort of homogenous generic feel, but I would assert that almost all the successful ones have not moved into existing pubs, but have taken other premises, such as old banks and shops, and turned them into pubs. What works in one community pub cannot be moved to another building and made to work there.

As we know, some pubs are based on food sales, and they can be successful, but other pubs are drinkers' pubs. I know from experience that a drinkers' pub cannot be changed into a food pub. It simply does not work. Customers who come for the drinking will leave if they think that it is a food pub, and others will not necessarily be attracted.

Andrew Griffiths: I agree with my hon. Friend's comments. Does she accept that the smoking ban was one major reason why so many wet trade pubs, which focus predominantly on selling beer, closed? Many local pub customers left because the smoking ban was introduced. Although not many people in the industry are calling for the ban to be overturned—I do not think that that is what people want—does she recognise that those pubs have been hit particularly hard?

Karen Bradley: I do not dispute that some pubs have closed as a direct result of the smoking ban, but I do not think that the industry wants the ban to be rescinded. The pubs that have closed as a result of the smoking ban would not reopen if it were rescinded. The wet pubs that are successful have adapted to the smoking ban and compensated for it.

Dependence on a building makes a pub unique, but it is also at the heart of many problems that pubs face. As for pub companies and the beer tie, the beer tie has a long history. It dates from the time when brewers ran their own pubs and wanted to ensure that their pubs sold their beer, which is a sensible business model. Brewers had a vested interest in ensuring that their pubs were well run, and self-employed tenant landlords ran the pubs for them. Again, that is a good business solution. People were given the chance to run their own business and, as long as they paid their rent and continued to sell the brewers' beers, the brewers could leave the landlords to it. Brewers had a guaranteed and responsible drinking outlet; clearly, they wanted to ensure that their landlords sold responsibly.

In those days, landlords bought directly from the manufacturer, cutting out middlemen and their margin. However—I remember it well—the industry moved to gain more security of tenure for tenants, who often had 12 or 18-month tenancies, as well as the option for landlords to sell guest beer, which is lucrative and allows them to make a significant profit for little extra effort. As a result of that pressure, the beer orders were introduced in 1989. No doubt the intention of the orders was good. They were meant to increase competition by reducing the size of brewers' estates. Offering tied landlords the option to sell guest beers was a good move that allowed them to make more profits. The orders also gave tenants the security of 20-year leases. My parents were some of the first to benefit from the

changes when they took out a 20-year lease and introduced a guest beer. At the time, the industry was positive about the changes, and welcomed them.

As is often the case, however, the problem with the legislation was its unintended consequences, by which I mean pubcos. Under the beer orders, only brewers are restricted in the number of pubs that they can own, and pubs owned by non-brewers, which do not sell only one brewer's beers, do not need to offer guest beers. Pubcos became the middlemen, buying beers from a range of brewers and selling them to their tied landlords, who lost the right to offer guest beers.

The pubco business model is certainly clever and innovative. I am a chartered accountant—that is probably another interest that I should declare—and I must say that I have always admired the pubco model and thought that some clever financial whizz kid came up with it. Pubcos raise finance to buy large estates of pubs from brewers by securitising future rental income, which is the only asset that they have. Some of those pubs are tenanted, some are leasehold and some managed houses. The pubco makes money from its margin on selling beer to tied landlords and from its rental income. If a pubco wants to increase its profits, it must increase either margins on beer sales or rents, or both, which leads to landlords being squeezed twice.

Rents are based on barrelage, or sales, not rateable value or any other measure that I would consider sensible. Rents increase in line with the retail prices index, even when pubs are struggling, and are reviewed upwards if sales increase. Even if a self-employed landlord is successful and increases beer sales, their rent will go up and the profits of all their endeavours will be given back to the pubco.

Simon Kirby: I do not intend to interrupt my hon. Friend too often, I promise. Does she agree that many landlords suffer a penalty of tens of thousands of pounds for having tied leases? They must compete not only with pubs that are free of ties, but with managed houses. The price of a 36-gallon barrel of beer is often hundreds of pounds cheaper free of tie than it is with the tie.

Karen Bradley: I am coming to exactly that point. The margin on beer is the pubco's other source of income. When my family bought out their beer tie last year, the pubco from which they bought the tie told them that the average additional amount that it charged per barrel under the tie was £185. A 36-gallon barrel of Carling Black Label sold under the tie was £369, compared to a free trade price of £227. Imagine us allowing any other industry to disregard free-market pricing so blatantly.

Pubcos have clearly accepted that many pubs are closing. That is not in their interests, so they try to help landlords who are struggling, which is undoubtedly a laudable aim, but they do so either by over-managing or by giving with one hand and taking with the other. For example, they might install monitoring equipment, ostensibly to help landlords see what is selling well and what is failing to sell, but the equipment is then used to establish whether the landlord is buying out of tie. The monitoring equipment sees how much beer is travelling from the cellar to the pump; the pubco then says, "That is more than you are buying from us. You must therefore be buying out of tie," perhaps forgetting that it is in all our interests for the pipes to be cleaned regularly, which involves liquids other than beer going through them. The feeling—I accept that some of this is anecdotal—is that it is "them and us", and that the landlord is guilty until proven innocent. The two parties should be working together to run a successful pub for the sake of the community, but instead they are fighting each other.

Greg Mulholland: I thank my hon. Friend for her generosity in giving way again. As we have not had a meeting recently, she might not be aware that both the all-party save the pub group and the all-party group on beer recently received a copy of a letter from the Fair Pint campaign to Enterprise Inns that raises serious issues about the Brulines system and Enterprise Inns' use of that equipment. It is important to put that on the record. We await with interest developments in that case.

Karen Bradley: I was not aware of that letter, so I thank my hon. Friend for raising that issue. I look forward to reading it.

A pubco area manager might also suggest that a landlord adopt a practice that has worked elsewhere, such as showing live football. However, a one-size-fits-all approach does not work. Pubs are all different. Just because one pub succeeds in selling more beer after installing equipment to show live football, it does not mean that a neighbouring pub will do so as well, and it must be borne in mind that under leasehold agreements, the landlord is responsible for buying all the equipment, fixtures and fittings and entering into an arrangement with the sports provider. Landlords can therefore be left with significant outgoings and future liabilities, but no extra revenue. If they do make extra sales, their rent will be reviewed and increased the following year.

Andrew Griffiths: I am sorry to interrupt my hon. Friend again—she is making a strong case—but speaking as a Member who represents the constituency in which the country's largest pub company, Punch Taverns, is based, I must urge her to accept that there are many pub companies in this country that support their tenants in a positive way. As a result of the actions of pub companies, there are many people in business who would not have thought about going into business without having that help, support and expertise. Although there are examples of practices that we should not be content with, the reality is that many people benefit greatly as a result of being an employee or tenant of pub companies.

Karen Bradley: I hope that I am not giving the impression that I am completely opposed to pub companies, because I appreciate that they have a place in the market, but it is important to put on the table some of the practices that are making it difficult for pubs to survive. The debate is about the future of the British pub, so it is important that we understand how pub companies and practices could be improved to save even more pubs.

Another area where pubcos may offer concessions on prices to tied landlords is in return for the landlord giving up the right to take income from, for example, gaming machines, pool tables and other such things. Gaming machines are a really important part of the landlord's income, but many landlords find that they are forced to accept the loss of that income. The problem

[Karen Bradley]

is that they have lower-priced beer, which they sell at a lower price so that more is sold. Their barrelage then increases, their rent goes up, and they end up no better off. It is important that we ask pub companies to look at how the rents are set, so that we can reach a point where it is in landlords' interests to take the offers from those companies and work with them to make everyone better off.

I want to mention the Fair Pint campaign, which represents the interests of tied publicans across the UK. It has found that 67% of tenants earn less than £15,000 a year from their pubs, and that includes 50% of pubs that have a turnover of more than £500,000 a year. I can assure Members that one has to work very hard to sell £500,000 of beer a year—at £3.50 a pint, that is nearly 150,000 pints a year, or around 400 pints a day. I think that £15,000 a year is little reward for working that hard. It is no coincidence that most pubs that close are owned by pub companies, especially when one considers the effort involved and the fact that, no matter how hard one works, someone else can end up benefitting as a result of the contractual arrangements. As I have said, I accept that pubcos are here to stay and hope that, with a little action from the Government, we can make the system work better for all.

I ask the Minister to consider looking at basing rents on rateable values, or at some other system that does not penalise successful, responsible landlords. I also ask him to look at the beer tie to see whether a system could be developed that would allow a guest beer or some such incentive to be introduced. Good, well-run pubs encourage sensible drinking, so I hope that the Government will look at the sources of binge drinking, which largely are not pubs. Although I accept that there is a need to look at how policing is paid for, it will be little help to the pub trade if the responsible landlord has to make a contribution while the supermarkets and off-licences that sell at below cost price make no contribution because they close before midnight. Unlike many Government Members, I support the current licensing laws and ask that, instead of introducing new laws, the existing ones be properly enforced to ensure that those guilty of encouraging anti-social behaviour and binge drinking are targeted; that is preferable to a blanket restriction being imposed on everyone.

Roger Williams (Brecon and Radnorshire) (LD): I congratulate the hon. Lady on the way she is taking the debate forward. She will be aware of the current consultation on licensing. In my constituency, while many pubs are run well, temporary event notices are causing concern. Good pubs often seem to fail on that one little hurdle, so does she have any thoughts on how we should respond to the consultation with regard to that matter?

Karen Bradley: I absolutely agree. The point is that we should help the responsible landlords who encourage responsible drinking rather than binge drinking and anti-social behaviour, and we should use the law to clamp down on those landlords—we all have these cases in our constituencies—who flout the rules, encourage anti-social behaviour and are happy to sell at below cost price. As we know, people are going to supermarkets and off-licences to buy alcohol and are getting hideously drunk before they even go out. The pubs are getting the blame for that and it is not their fault. I accept my hon. Friend's point and think that we should look at the consultation and make a robust response to it.

Finally, I ask the Minister to look at the planning laws to see how we can support the many communities across the country that rely on their local pubs and do not want to see them join the many others that have been shut. As I said earlier, the building is the most important part of the pub business, and we need to protect it to preserve that great British institution.

Several hon. Members *rose—*

Mr Joe Benton (in the Chair): Order. I intend to start the wind-ups at 5 o'clock so that the Minister has time to speak before the vote in the House. Many Members have indicated that they wish to speak, and we will do our best to get everyone in. I ask Members to be as brief as they possibly can be.

2.56 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a pleasure to serve under your chairmanship, Mr Benton. I declare straight away that although I am not a pub landlord, I am a member of the Campaign for Real Ale, and so often associate the words "beer" and "pub". I thank the Backbench Business Committee for granting the debate and the hon. Member for Leeds North West (Greg Mulholland) and my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) for making a compelling case and securing the debate a couple of weeks ago.

Everyone knows that the pub is the heart of the community, especially in our rural parishes. I grew up in a city and so have a different relationship with and memory of the pubs I visited there, but in the parish, the pub is truly the place where one goes to get gossip, beer, often food, and companionship. I used to live in Hampshire, and even now I can say "pub" to my dog and she knows that we are going to the pub. Dogs are mainly welcome in rural pubs, which is another reason why they are a good place to be. I am sure that for many of us the most important feature when organising our election campaigns was the choice of which pub to go to at lunchtime and in the evening as part of our rest time.

Of course, going to the pub for the first time is a rite of passage. In the main Chamber today we heard about the rites of passage that some of our young people go through, but turning 18 and going for that first legal drink in a pub is an important one in this country. Anyone who has ever been to Epcot, a theme park in Florida where every country from around the world is represented by a particular village, will know that the bit that represents the United Kingdom is the pub, which shows the international recognition of that institution. Even Madonna was keen on her Friday night drinks when she lived in London.

However, the debate is not about rites of passage, or recognition that the pub is the heart of the community, but about the future of pubs. The statistics seem rather gloomy. The number of pubs closing each week seems to be increasing. We recognise that there are financial difficulties, partly because people are tightening their

purse strings and deciding how much they want to spend, and partly because of the increasing duty that pub landlords and landladies face when selling their goods and because of the rent for the lease, which may have been fixed in the good times, but still has to be paid in the bad times.

The difficulties pubs face can also be the result of a lack of support and a lack of customers, perhaps because of changes in lifestyle. I think that another Member plans to talk about changes in permitted practice, particularly the ban on smoking indoors, which some have indicated has led to a drop-off in the number of people attending pubs. Anecdotally, I recognise that to be true. As most landlords will confirm, the smoking ban has led to a lack of drinking because people are outside smoking, so there is an element of transactions falling as well.

To be honest, there are some awful pubs in our country, but there are some terrific ones as well. Pubs are so much about the people who run them and the customers who go there. Like any small business, they have to be excellent in order to thrive, but we, as politicians, need to ensure that they have the conditions in which they can thrive. As any business knows, it is all about footfall, average transaction value and costs, and the first two can be increased only with a great business leader, and a great landlord and landlady.

There are about 54,000 pubs. About one third of them are free houses, which leaves a significant proportion of the trade tied and managed. I could be wrong on this, but I believe that there are more pubs than churches in our country, which reflects how important they are. Like churches, many of our pubs are tied to one religion—or one brewery. There are some excellent breweries. The brewery in my constituency, Adnams, has a significant number of excellent pubs. It promotes the community and has community awards—that is an important part of running an Adnams pub. I should also refer to the other excellent Suffolk brewery, Greene King, which also has a number of excellent pubs around the country.

Neil Carmichael (Stroud) (Con): I am a great fan of pubs, as many pub landlords in my constituency know perfectly well, not just by what I say but by what I drink. I want to mention microbreweries, which perform a valuable function. Does my hon. Friend agree that it is a good idea to encourage microbreweries? I have done so by having a brew made called "Neil's coalition brew", which is proving popular. That underlines the role of microbreweries.

Dr Coffey: I hope that there is not too much froth on the beer when it is pulled—I am sure there is not. I am sure that the beer has a good head and a stout body. *[Interruption.]* He will bring us a bottle—excellent.

Of course, I recognise that there are restrictive practices. My hon. Friend the Member for Staffordshire Moorlands referred to the tie, and how it can be damaging to a landlord who wants to experiment with extra guest beers and so on. They can be told that they cannot do something. They can actually be told by the brewery, or by a landlord of a different kind, that they are not allowed, for example, to show football anymore. It can really kill a pub if the landlord has decided to branch out into a particular area and is then told that they cannot. I believe that sometimes that is done deliberately to try to run down the custom of a pub and lead to its closing. Why would someone do that? The reason has already been alluded to: planning. Let us be honest: sometimes the land, the building or the pub garden could fit in six or 10 houses, which would provide a great deal more instant income for a landowner than keeping a pub going in a particular area.

Options are coming forward. I am delighted that the Minister with responsibility for pubs is here to give us answers about community right to buy. Pubs are not small things to take on, but at least communities will be given the powers to take them on if they wish to, and that is good news.

My hon. Friend the Member for Selby and Ainsty (Nigel Adams) has introduced the Protection of Local Services (Planning) Bill, which he sees as a way of trying to restrict the change of use of certain amenities such as pubs, community centres and shops. I do not think that that is necessary. I cite Basingstoke and Deane borough council, where I used to live some time ago. Its planning policies were very restrictive. In fact, they virtually ruled out change of use of any community facility, including pubs. If a pub or shop is lost, they are gone for ever; it is almost impossible for them to return. We should encourage our local councils to look at examples of good practice where that element has been restricted without the need for primary legislation.

Looking forward and trying to be much more positive, pubs with the right ownership and freedoms have a safe future in our country. They need stronger freedoms. My hon. Friend the Member for Staffordshire Moorlands referred to guest beers, and my right hon. Friend the Member for East Yorkshire (Mr Knight) referred to relaxing laws about, for example, live music. I will name my landlords, but this will be the only time, Mr Benton. Rick and Jennie Powling run the White Horse in Westleton, which is the fine hostelry that I frequent every Friday night. They are paranoid whenever someone brings in a guitar. They almost leap on them and say, "You can't play that here. You can play it outside, just not inside." That is ridiculous and crazy. Music in pubs—not just specialist music pubs—is important. The community should be able to enjoy fine songs such as "Wild Rover", and talk about beer, money and landladies to their heart's content.

There are many people who want to speak today, so I shall come to a halt. The future will be brighter for our pubs if they are freer to operate—if they are set free from unnecessary regulation. Other Members will speak about pricing, but I would like to remove the distortion in the market that makes it cost that much more to drink in the pub than at home, where people can drink beer that they have purchased at below cost price. This is about planning, and encouraging our councils to be more restrictive and protective of their precious assets in villages, towns and cities across the country.

We must also encourage other income streams; I think of what is happening with post office essentials. If a pub is open from 11 until 11, there is no reason why one cannot buy stamps and get driving licence forms and so on there. There are also aspects such as the internet hub. We have the digital village pump, and I know that schemes are afoot already to try to ensure that it is near the pub, so that people can use the internet there as well. Of course, we had the endorsement of His Royal Highness Prince Charles in 2001, when he

[Dr Thérèse Coffey]

spoke about the pub as the hub. On that note, I raise my glass and toast the future of British pubs. Cheers, everyone.

3.6 pm

Mr Andrew Turner (Isle of Wight) (Con): Thank you, Mr Benton, for the opportunity to speak in this debate. I congratulate my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) on securing it.

I would like to raise awareness of the problems facing local pubs. In recent years, there has been a steady decline in the number of pubs. Last year, local pubs across the country were closing down at the rate of 52 a week. There are many reasons for such closures. Obviously, some will be unavoidable. If a pub becomes financially unviable due to major competition, that cannot necessarily be handled. However, we have a large problem with pubs facing closure due to private investors buying them, not to run them as pubs, or with the intention of investing in them to help them become successful businesses, but with the intention of closing them to renovate them and turn them into numerous flats, which can be sold on to make some quick money.

I saw that with a local pub in my constituency on the Isle of Wight. The Partlands was a popular pub that was turned into flats. Such closures are having a negative effect on local communities up and down the country. The pub has traditionally been a focal point for local communities. Closing local pubs is killing village life.

Andrew Griffiths: I recognise my hon. Friend's concern about pubs closing, but does he also recognise that many other buildings are being converted into pubs? In my constituency, an ex-high street bank has been turned into a pub. One sees many commercial premises being reinvented as drinking establishments. We should not get particularly hung up about the building, but should instead consider the facilities that it offers.

Mr Turner: My hon. Friend is right, but the new pubs tend to be in the centre of town, whereas the existing pubs tend to be in the suburbs. That makes a difference.

Neil Carmichael: Frankly, that is a very important point, all the more so because the Minister with responsibility for planning is listening to this debate and will, no doubt, respond to it. The point is that we need to introduce a localism element to encourage communities to start new pubs, and to ensure that they thrive and prosper. There is plenty of scope, I trust, in the decentralisation and localism Bill for that to happen, and this debate will strengthen that case.

Mr Turner: My hon. Friend is certainly right there. It is true that pubs open and close, and some pubs close and open. One on the island was the Sun Inn, Hulverstone, which reopened as a pub after people tried to get planning permission to make it a home. They failed to get that planning permission, and the property was pushed back to being a pub. It is a very successful pub.

Caroline Nokes (Romsey and Southampton North) (Con): After many closures, one additional problem is that people can seek planning permission for many years. In villages, in particular, that can leave a gaping hole in the heart of the community, as properties remain boarded up for years, and I can think of many examples in my constituency. If we are too restrictive about planning permission, I worry that nothing will ever happen. However, I am pleased that the Minister with responsibility for planning is here, and I encourage him to find ways, through the localism Bill, of bringing such premises back into use, preferably as pubs, because, more than anything, I hate to see a gaping hole in the heart of a community.

Mr Turner: My hon. Friend is right. We must do what we need to in each village, and what is needed in one village might be different from what the next village needs. We must do that in a way that takes note of pubs, wherever they are.

The developments that I have described can lead to communities fraying, and to their members losing contact with each other. They can also lead to the scenario faced in many large cities, where people have little contact with their pubs. We must protect pubs from that threat, and the best way to do that is to restrict investors' ability to buy pubs with the intention of closing them. That is the worst kind of purchase, and we must reduce the ease with which planning permission is granted for such changes.

We must also look at the fact that local pubs are becoming increasingly expensive and their competitiveness with other pubs is being reduced through compulsory ties. Such ties involve landlords renting pubs at high prices from large companies that then include in the contract clauses that force the pubs to buy their drinks from specific breweries. That forces landlords to raise their prices to cover their costs and to ensure that the pub is still profitable. However, that then leads many people—especially those feeling the effects of cuts and job losses—to avoid such pubs. We must therefore do more to help landlords maintain pubs and to reduce the burden that large companies, supermarkets and the law put on them.

3.11 pm

Greg Mulholland (Leeds North West) (LD): I thank you, Mr Benton, and Mr Speaker for understanding and accommodating my somewhat challenging situation, in that I have to speak in two debates at the same time. If I start going on about student fees, I hope that you will forgive me and put me back on track.

I thank my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley)—when I say "Friend", I mean it literally—for her excellent introductory speech, which showed a depth of real knowledge drawn from personal experience. I have had the great pleasure of meeting her parents, who, as publicans, have done such a good job in their community for so many years. I am absolutely delighted that they have now got their hands on their pub, that they own it and that they can run it as they like. We would, I hope, all agree that those of us who believe in small businesses and localism should want as many of our pubs as possible to be in the hands of those who run them, and the save the pub group certainly wants to campaign for that.

My experience of pubs is slightly different from that of my hon. Friend, in that it relates largely, although not entirely, to the other side of the bar. I have worked in some pubs, but I have spent an awful lot more time on the other side of the bar. A little over 18 months ago,

however, I decided that we needed a save the pub group in Parliament because the British pub faced such a crisis and, as hon. Members have so eloquently explained, because the pub is central to our communities. As my hon. Friend mentioned, the pub is iconic to us as a nation. Pubs are unique to this country and are part of our heritage, history and culture, and we lose them at our peril. Sadly, we are losing them in great numbers.

The biggest scandal, which some organisations, companies and developers try to cover up, is that we are losing viable pubs every week. Some of those pubs are actually profitable when they are closed. As the hon. Member for Isle of Wight (Mr Turner) so powerfully said, that is happening simply as a result of the greed of developers and individuals who see an easy way to make money, and that is not acceptable.

I ask those hon. Members who are concerned that we do not go down the route of having more planning restrictions to accept that the community has the moral ownership of community pubs—pubs that have been in the community for years and years. Legally, of course, those pubs will go through certain hands, and as my hon. Friend said, they will have passed through the hands of breweries and into the hands of pub companies. Although the simple reality is that those organisations legally own the building and the business, the moral ownership is surely with the community that the pub has served for many years. That is not, however, reflected in planning law.

Andrew Griffiths: My hon. Friend has a great record of standing up for the great British pub in this place, and we all applaud him for that. I absolutely agree that we need to do all we can to preserve pubs, but one difficulty is that many people are put off making the large investment involved in buying a pub—purchasing a pub is a heck of a financial commitment. However, somebody who has attempted to run a pub and been unable to make it viable may be prevented from realising that asset if we introduce restrictive requirements for the sale of pubs. Does my hon. Friend share the concerns of those who say that the unintended consequence of that might be that we put people off investing in pubs and becoming landlords or publicans in the first place?

Greg Mulholland: I agree with the hon. Gentleman on many things, but I am afraid that I simply cannot see his logic on this occasion. Let me explain the position of the save the pub group to make it absolutely clear. If one pub business fails, he would surely agree that another pub business should have the opportunity to attempt to make the pub a success. At the moment, people are prevented from doing that simply because the owner says that they do not want the building to be used as a pub any more. Even if the entire community wants it to be a pub, even if it is viable and even if it makes an awful lot of money, the community has no say.

I am delighted that the Prime Minister has chosen, a little belatedly, to appoint a Minister with responsibility for community pubs, whom I had the great pleasure of welcoming at the save the pub group's British pub week event a few weeks ago. That appointment is very positive, and it is handy that the Minister is also a Planning Minister. I therefore say to him that although we are looking forward to the upcoming decentralisation and localism Bill, it must give communities the right to have a say, through the planning process, in the future of community pubs, which we all say are so important.

Dan Rogerson (North Cornwall) (LD): Like others, I congratulate my hon. Friend on the huge amount of work that he has done on this subject. He talks about developers converting pubs and denying others the right to make a success of them. Are there not also examples, however, of owners who sell a pub on and, even though they do not wish to convert it themselves, make it clear by means of covenants and so on that they wish to prevent anyone from running it as a pub in the future?

Greg Mulholland: My hon. Friend raises an important point. I was coming to that, but I will cover it now. I have already raised with the Planning Minister some companies' continued use of restrictive covenants, in which the company says, with no thought to the community's rights, that a pub must never be allowed to be a pub again. That is a scandal. The previous Government said that they would outlaw that practice, which was a hugely welcome step. I am disappointed that the right hon. Member for Wentworth and Dearne (John Healey) is no longer here, because I worked closely with him and I commend him on his work to support pubs. I ask the Minister to give us the good news for which we have all been waiting—CAMRA, in particular, has campaigned for this for many years—and to say that he will outlaw this totally anti-free market and anti-community practice once and for all.

Let me return to planning. I hope that I can address the concerns of the hon. Member for Burton (Andrew Griffiths)—Burton is, of course, one of the most famous centres, if not the most famous centre, for brewing in the country. The save the pub group says that we need to include two things in the planning process for community pubs. First, we need a genuine period of community consultation, which some councils have and some do not. Secondly, there needs to be a viability test. If a small business is viable, it should have the opportunity to continue as a small business, and should not simply be closed because someone can make a large killing by closing it, as my hon. Friend the Member for Staffordshire Moorlands said.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Does my hon. Friend accept that in some communities it is not only the pub that performs an important social function, and that there are examples of viable shops and filling stations that have also been sold by people who want to make a quick buck? How does he recommend that the Government should overcome that problem, with planning changes related simply to pubs? Would the changes not have to extend to other community functions that might, to some people, be just as important?

Greg Mulholland: The good news for my hon. Friend and, indeed, the Minister is that I have exactly the answer to that very point. It is not my original idea. Being a politician, I may sometimes take the credit for things, but I will not on this occasion. A Bill has been proposed by CAMRA, and is, I am delighted to say, being promoted by my hon. Friend the Member for Selby and Ainsty (Nigel Adams). The Protection of Local Services (Planning) Bill will have its Second Reading in the new year. The save the pub group officially backs it. The Bill would do precisely what my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) has described: it would give councils the

[Greg Mulholland]

power to extend planning permission to local services that they designated. It would cover certain particularly important shops, post offices, pubs and perhaps petrol stations—the things that a community would identify for itself as important. Perhaps I may reassure my hon. Friend the Member for Suffolk Coastal (Dr Coffey), who is passionate about pubs and beer, about this—I enjoyed a glass or two with her at the Great British beer festival earlier this year. We should support the Bill; it would not do what she fears. It would simply give councils the power to adopt those practices if they wanted to, and to extend the planning permission in question. The provisions would be flexible and decentralising, but would not impose anything.

Dr Coffey: My hon. Friend is right to praise the aims of the Bill. I support them. I simply wanted to point out that I am not sure that primary legislation is required. I think that councils already have powers. I cited Basingstoke and Deane as a good example of somewhere that has used those powers in its planning process and policies.

Greg Mulholland: I thank my hon. Friend for that point, but she is lucky. Clearly her council appreciates the importance of pubs, but many councils do not, and I am afraid that Leeds city council is one with a poor record of defending them.

Mr Turner: It depends very much on local ability. The Sun Inn at Hulverstone, which I mentioned a moment or two ago, is an example: members of the planning committee knew that they could do something, although the planners told them that they could not.

Greg Mulholland: I am pleased that my hon. Friend raised that point, because I have had the same experience in Leeds, with planning officers telling councillors on the plans panel that the pub had no status and that viability could not be a planning concern, while at the same time councils around the country have taken the action in question. There is confusion, so we want to give the message, and empower councils. We want to give them the opportunity to take such action where they think it is important. I urge all right hon. and hon. Members to support the Bill, and the community pubs Minister to take those points forward if the Bill should fall, which I hope it will not.

Mr Knight: Does my hon. ally agree that the viability test must be objective, with an element of independence about it? There is a pub in my constituency the owner of which wanted to use the building for something else. Two years before he closed it, he deliberately stopped serving food, which was one of the most profitable aspects of the business, so that he could try to con council officers that the pub was not viable, although the whole village knew that it was.

Greg Mulholland: I do not think that I have ever taken part in a debate in which the interventions were so accurate and helpful. My right hon. Friend and ally is right that there is a scandal going on, with pub owners—whether individuals, pub companies or brewers—who have decided that they want to do something else with the pub deliberately running it down. Often an inappropriate person is picked to run it. That has happened in Leeds and, I am sure, around the country. It is a scandal, and takes us back to the fact that communities have no say in the process.

I hate to see boarded-up pubs. One of my local pubs, the Summercross, remains boarded up after we were conned by a company that told us it would quickly build a care home there. That was more than two and a half years ago, and it is still a huge eyesore in a very pleasant part of Otley. The surrounding community has no power. I agree that there should be powers to stop people land banking derelict buildings that could and should be used. However, we must not let that become an excuse for it to be made even easier for people to lose their pubs.

I welcome the community right to buy that the Government have proposed and look forward to hearing more about it from the Minister. It fits very well with the idea of the big society and with our passion for empowering communities, decentralising power and giving communities a voice. However, I have one note of caution to sound for the Minister about something I have raised previously. Although it is incredibly welcome that communities are to be given the opportunity to see whether they can take over ownership of their pubs, that will not solve the problem of popular, wanted and viable pubs closing. In some areas the community will be unable to take a pub on, or will not want to; but it will still want the pub to continue. I have seen many cases in which a good small pub company, small brewery or individual wanted to buy or take on a pub; but they can currently be prevented from doing so. Unless we include in the planning process a right for communities to have a say in a process, that gap will not be plugged. I ask the Minister to consider that.

I now turn my attention to the model of the beer tie operated by pub companies, which my hon. Friend the Member for Staffordshire Moorlands has already outlined. It would be useful to give the House an update on the current position. I look, once again, to the Opposition Benches, because, after a long campaign fought by several organisations, the previous Government listened and acted. That was extremely welcome and I was delighted when the present Government, through Business Ministers, said that they would follow the process that was put in place by the previous Government. That was extremely important and positive.

I shall not go through the figures and the issue of the tie, but the present position is that three recommendations were made by the previous Government and adopted by the present one, and they come within ministerial responsibilities. The first is that the industry should ensure the accuracy of flow-monitoring equipment. We have already had mention of that. The second was the implementation of a code of practice; and the third was that Ministerial action should follow a failure to do those things and establish a code of practice that addressed the concerns of the Select Committee on Business and Enterprise. That is crucial. In addition, Ministers would consider the matter and would be minded to refer the matter to the Competition Commission if reform was not forthcoming.

I raised concerns with the Minister's colleague, the Secretary of State for Business, Innovation and Skills, to whom I was perhaps a little less kind in a previous debate, about the merging of the Competition Commission with the Office of Fair Trading and its implications for

the process in question. That is in the light of the fact that the OFT came up with the extraordinary decision that, although it admitted that tenants were not treated fairly and beer prices to the customer were higher, there were no competition issues. I look forward to hearing about that.

So far the result of the process is that only two companies have established an accredited code by the deadline, which was 1 July 2010. The deadline for implementation was 1 October. Therefore 28% of British Beer and Pub Association members failed to meet their obligations. The BBPA framework on which the codes are based deliberately and explicitly excludes the commercial issues that constituted the problems highlighted in the ministerial response. Crucially, no company code offers a genuine free-of tie option to lessees and few offer a guest beer option. The reality—I have to make this clear—is that so far those companies deemed to be operating unacceptably to the previous Government and the Select Committee, and to this Government, are still doing so. Unless that changes significantly, Ministers will have to act.

I have to mention the codes of practice, some of which are now being produced. Hon. Members may not be surprised that I will mention specifically the Enterprise Inns code of practice, a glossy document that starts:

"Our new Code of Practice sets out our commitments to you".

However, it generally sets out the tenants' obligations to Enterprise Inns. Tenants are being pressed by Enterprise business development managers to sign the certificate of acceptance in the manner of a door-to-door window salesman. I ask the Minister's colleagues in the Department for Business, Innovation and Skills to look at that, because not only are the codes—particularly that one—not delivering what they were supposed to deliver but there is a danger that they will make the situation worse, will put more onus on the tenant and are doing nothing to address the problems in that business relationship.

I shall mention something now that will upset deeply my colleague the hon. Member for Burton although he may wish to comment on it in his speech—I hope that he does. The largest pub company, Punch Taverns, is in a desperately parlous financial position. It gives me little pleasure to say so. There is a crisis in the biggest pub companies, which are in eye-watering debt. That is the biggest threat that the British pub faces at the moment. Hon. Members have said that that is because of bad business decisions—the sort of gambling that gave the bankers a bad name—including over-valuing their estates, and now they are in vast amounts of debt to creditors. Pubs are being sold and closed continually to deal with that. Enterprise has just raised another £9 million from auction.

There is concern that Punch is teetering on the brink. I hope that that is not so, because the last thing that we want is many pubs suddenly coming on the market and many of those being converted to other uses. That goes back to what I said before. We have to get something in the planning process that stops people simply getting rid of pubs for what they can get.

I come now to my final question to the community pubs Minister. It gives me great pleasure to call him that. The Minister is a fan and a friend of the pub and I look forward to chatting with him, perhaps over pints in pubs, as we move forward and work together with his team and the all-party save the pub group. Are the Government committed to a below-cost selling ban? I think that all hon. Members would support that to stop the scandal of supermarkets selling beer below cost. It is not a price-fixing measure or thinking that is against the free market; we are simply saying that supermarkets should not be selling beer below cost to get people into their stores. If they want to do that, they can do it with chicken or bread, or things that are useful to people, but they should not undermine pubs and sell irresponsibly.

Rory Stewart (Penrith and The Border) (Con): I would not encourage supermarkets to underprice other goods, such as dairy products, for the sake of beer. I strongly support the hon. Gentleman's saying that they should not underprice beer, but we should not encourage them to underprice bread or any other commodities, either.

Greg Mulholland: I was not suggesting that they should do that. If they really want to attract people to their stores in a moral way, they should do so with things that are of value. I am not for one minute suggesting that people should be under-cutting. I am one of many people—I am sure that colleagues have campaigned for it—who would like a supermarkets ombudsman and fair pricing for dairy farmers, for example. I reassure the hon. Gentleman on that point.

I have asked the Leader of the House about below-cost selling, which was not in the policing Bill last week, although many hon. Members thought that it would be. Can the community pubs Minister give us some news about when that will come forward? I hope that this is the last Christmas that we see irresponsible promotions that do damage to pubs, which also rely on Christmas.

Duty is a challenge. I congratulate the Government on not increasing beer duty again, because it has gone up too high and has been damaging. I hope that that message has got through, even in this difficult time, because putting too much duty on beer will have a detrimental effect, particularly on smaller and medium-sized breweries that come above the progressive rate relief, which incidentally we must keep for microbreweries that a colleague, who is no longer in place, so correctly mentioned.

My final challenge to the Minister is not for his Department, but is one that he should pass on. We must find a way to help pubs by allowing a differential rate of duty. That is a challenge with regard to European law, but we can face that and should not keep using it as an excuse. There are ways of doing that. One way, which has been raised, is to have a differential rate of VAT for pubs, which is worth putting on the table. Another way would be to have a differential rate for draft beer, which at the moment is believed not to be possible through EU law.

Another solution was given to me by the head brewer at Fuller's in London. There may be a way to have a different rate of duty on real ale, specifically cask ale, which is our great national drink—our Burgundy and Bordeaux—of which we should be prouder and about which we should make more noise. Every barrel and cask that leaves a brewery has an allowable duty-free element, because it is a sedimented product. If that provision could be unified, it would remove all the bureaucracy of checking at the gate and the different

[Greg Mulholland]

rule per beer and there might be a way to allow a different rate of duty perfectly legally within EU rules. I put that challenge to the Minister.

I thank all hon. and right hon. Members for attending this important debate. It is great to see such a wonderful turnout and I know that they are all passionate. I look forward to working with all of them, and with the community pubs Minister and the all-party save the pub group, to do as much as we can to support and save our great British institution.

3.36 pm

Jack Lopresti (Filton and Bradley Stoke) (Con): I have long been of the view that the local pub is an essential part of the social fabric of our communities and that it plays an important role in the social cohesion of areas. Just to make it clear, I am talking not just about city centre pubs and clubs, which the journalist, Simon Heffer, called "impersonal drinking factories" in an article in *The Daily Telegraph* in June, but about local pubs that serve their own local communities in both rural and urban areas.

I regularly visit two pubs, both of which are within walking distance of where I live, and I will mention their names, because it is relevant to the debate. The Stokers pub in Little Stoke is a 10-minute walk away. Eddie Benjamin, the landlord and a friend of mine, and I have discussed his struggle to remain open. Eddie has run the Stokers for 15 years, but now under present circumstances he is struggling to keep his community pub alive, viable and in business. It made a small loss last year. He has had to endure a doubling of the business rate, from some £16,000 to £34,000—an increase of nearly £18,000 a year on a pub that made a small loss. Sky Sports charges are linked to the pub's rateable value, and that cost has increased from £9,200 a year to £13,500 a year, an increase of roughly a third. As has been discussed often and at length, the smoking ban probably affects all pubs throughout the land.

Overall, the smoking ban has been positive. It has improved the environment of pubs no end, especially for those that rely on serving food as a key part of their business, and it makes for a much more pleasant experience for most people who are non-smokers. It has also made pubs more family friendly. But there needs to be a re-think on having a dedicated smoking area inside buildings, with extractor fans, where no children would be allowed and no food would be served. I realise that this would not be possible in every case, but it would allow many pubs to utilise extra space or even have a smoking bar and non-smoking bar or room/lounge—whatever—and end the practice of smokers being thrown outside in all weathers at any time of day or night, with the problems that can be caused with disturbance to local residents who live close by. That would generate a significant increase in business for pubs that are currently struggling and it could make the difference between a pub staying open or closing.

Although in a commercial world we have to make hard-headed decisions based on profit and loss, let me give specific examples from my other local pub, the Beaufort Arms in Stoke Gifford, which does fantastic work in the local community. Yesterday, I rang the landlord, Jason, and told him that I intended to speak in this debate. He gave me examples of where the pub really was reaching out to the local community. For example, it funds the transport costs of the local Filton brass band, and it is having a big draw just before Christmas, with the money raised going to local charities. I have attended functions of the Stoke Gifford branch of the Royal British Legion at the pub. The Beaufort has been a great supporter, and is a great focal point for the local community.

Another pub in my constituency—I will not mention its name—has offered to open its doors to help to facilitate a postal service in the village. When the local post office closed down, we were looking for avenues to provide a temporary service, and the pub offered its services, which would benefit the whole village. The landlord of the Beaufort was anxious to ensure that, although binge drinking receives much bad press in the media, we do not allow all pubs to be stigmatised. My experience is that real local pubs promote sensible drinking.

I support the Government's suggestion of local communities being given the opportunity to take over local pubs under new powers in the localism Bill, perhaps funded by the big society bank. But we must ensure that as many functioning pubs as possible remain open.

Dr Thérèse Coffey: I welcome my hon. Friend's support for community pubs. Will he consider the Plunkett Foundation, which supports community shops and pubs, and particularly the right to buy that he referred to?

Jack Lopresti: Absolutely. I thank my hon. Friend.

The Government must also encourage further co-location of services in pubs. There are examples of post offices being set up in pubs, and delicatessens and small shops being incorporated into pub design. Thus the public as consumers can take responsibility to support, enjoy and encourage others to experience the hospitality and pleasure gained from a trip to the pub, and to inform others what the loss of such valuable community hubs would mean for quality of life and social cohesion in our local areas.

3.41 pm

Andrew Griffiths (Burton) (Con): I welcome the community pubs Minister to his position, and congratulate him on his elevation. Few Members of the House have done more to support brewers and the British pub industry. The coalition Government's commitment to the pub trade is demonstrated by our pubs Minister being pint-sized, and I am sure that he will be stout and resolute in his support for the industry—*[Interruption.]* And never bitter.

I thank my hon. Friends who arranged the debate. It is testament to the House's commitment to the pub and the beer industry that so many hon. Members are giving up their valuable time to contribute to this substantial debate on a day when such an important discussion is taking place in the main Chamber. That is hugely encouraging.

I also welcome colleagues from the Campaign for Real Ale. Everyone will agree that it has done a huge amount of work to develop real ales, and to support British pubs, and we should commend its work. Long may it continue to strive and to develop. The manifestos of all the main political parties at the last election

included a commitment to the British pub. The Liberal Democrats, the Conservative and Labour parties all had a section pledging their support for the British pub and brewing industry, but the pub trade is still in a perilous state. My hon. Friend the Member for Isle of Wight (Mr Turner) said that 56 pubs were closing every week. I am pleased that the statistics that I was given recently showed that that number has slowed to 30 pubs a week, although we all recognise that that 30 is too many.

Karen Bradley: Perhaps the rate has slowed down because there are fewer pubs, so the stock of those that can be closed is smaller.

Andrew Griffiths: That is absolutely true. Last night, I hosted the all-party beer group's Christmas party. We sampled 25 brews from some of Britain's best brewers. I was pleased that Marston's was represented, and I am told that it will open 20 new pubs this year, which is encouraging, but we recognise that the pub estate has shrunk dramatically, and every pub lost is a community resource that will be missed. If we are to stick up for the commitment that all parties made at the general election, we need action, not just talk and fine words, to deliver meaningful support to the British pub and brewing industry.

It is important to examine why we are in this situation. There is no doubt that the smoking ban had a dramatic impact on many pubs throughout the country. Many pubs that were reliant on the wet trade were unable to find alternative income when drinkers who had used their pubs for many years decided that if they could not enjoy a cigarette with their pint they would stay at home with a can of lager and sit in front of the television to smoke. That is regrettable, but we all recognise that the time to overturn the smoking ban has passed.

Glyn Davies (Montgomeryshire) (Con): My hon. Friend is right to say that there is no chance of overturning the smoking ban, but I like to think that there may be a chance of introducing legislation to allow smoking somewhere inside pubs. Overturning the smoking ban is not realistic, but it is a realistic ambition for people to have the opportunity to smoke in pubs somewhere where other people do not have to go.

Andrew Griffiths: I understand my hon. Friend's concern, and many people support his suggestion. The danger is that if we lose sight of the real problems facing pubs and focus on reintroducing smoking in them, we may lose our focus on the more pressing problems that lead to pubs closing.

Greg Mulholland: I thank my hon. Friend for giving way. I apologise, Mr Benton, that I did not explain earlier that at the request of the Speaker I must return to the main Chamber after his speech.

The save the pub group does not have a position on the smoking ban, but we called for a review of its impact on pubs and clubs. That was promised by the previous Government, and it is disappointing that the response by the Department of Health to the save the pub group was that it would not go ahead with that review. We believe that it should take place.

Andrew Griffiths: I thank my hon. Friend for that intervention. His commitment, effort and determination to stand up for the British pub are laudable. I was fortunate to spend a few hours with him at the British beer festival, and there is no doubt that he is a big supporter of the brewing industry.

There is an elephant in the room that we have not yet discussed. We debate the impact of the tie, and whether it is good or bad to have so many pubs in the tie. My hon. Friend the Member for Leeds North West (Greg Mulholland) referred to Punch Taverns, and I am delighted that Burton is the home of brewing. It is where Bass, which used to be the world's No. 1 brand, was developed, and we are still the home of Marston's Pedigree and Carling Black Label. We even brew Cobra for anyone who likes beer with their curry on Saturday night. It is the home of the National Brewery Centre, and I urge anyone who has a spare hour to come to Burton and enjoy the delights of that reopened centre, which gives a fantastic insight into our brewing heritage and history. Burton has a proud heritage of brewing, and we are what we are because of our brewing history. However, we want the brewing and pub industries to have a bright and exciting future.

Punch Taverns has been through many difficulties over the years. I recently met Ian Dyson, the new chief executive who has just taken over. I was reassured to discuss his plans for the future of Punch Taverns at some length, and in particular his desire to work with his tenants, support them and focus on their needs. The company has learned many of the lessons that other pubcos perhaps still need to learn. Because of that, I hope for both Burton and Punch Taverns that the future is bright.

What we are missing is a change in people's drinking habits. Hon. Members may be surprised to learn that 70% of all alcohol sold in this country is sold through the off-trade and supermarkets, and we cannot ignore the impact that supermarkets have had on our drinking habits. The smoking ban is a problem, and there is no doubt that supermarkets have capitalised on that and used their might to drive down the price of alcohol on supermarket shelves, particularly beer. That has had a major impact on the viability of pubs. Let us be honest: pubs will survive if publicans can make a fair living.

Mr Marcus Jones (Nuneaton) (Con): My hon. Friend makes a good case on behalf of the pub industry. Does he acknowledge that in addition to the difficulties caused by low-cost selling and the special offers by large supermarkets, the huge increase in beer duty under the Labour Government—around 26% over the past two years—has had a very detrimental effect on the pub industry? That has widened the gap between the purchases that people make in off-sales and those they make at the local pub.

Andrew Griffiths: My hon. Friend, as always, makes a valid point. In fact, the figures are worse than he suggests. Under the previous Government, duty on beer increased by 60%, while the increase on spirits was just 15%. That differential has had a huge impact on the viability of the British brewing industry. It is no surprise, as hon. Members from all parties will realise, that as a result of 13 years of Scottish Chancellors, the Scotch whisky industry has not, unfortunately, suffered the

[Andrew Griffiths]

same increases in duty as those suffered by the British beer industry. I hope that the new Chancellor and the coalition Government will be more supportive of the brewing industry and our pubs.

It is encouraging that last week the Treasury announced innovative and well-thought through proposals on what I call "smart taxes." The idea is to increase tax on bad things and reduce it on good things. Reducing taxation on lower-strength beers and spirits and increasing it on higher-strength drinks would support the vast majority of the British brewing industry and help to nudge people—we all know the phrase "the nudge approach"—towards choosing a more responsible and healthy drink when they go out for a tipple on Friday or Saturday night.

We must do something about the change in people's behaviour and their drinking habits. When I was elected, one of the first things I did was spend a Friday night with the local police in Burton. I was with them from 6 o'clock in the evening until 3 o'clock in the morning. We walked the streets and I went out with them as they dealt with the consequences of people who had had too much alcohol in what the *Daily Mail* likes to call "Drink-fuelled Britain".

I am not a young man, but I am not an old man. I remember when I used to go out with my friends for a night on the town, a night on the pull. *[Laughter.]* We were more successful at drinking than we were at pulling, unfortunately. We would go out for a night on the town and we would probably meet at about 8.30 pm. We would have a couple of drinks and then head to a nightclub to try our luck with the ladies of Dudley. The nightclub would close at 2 o'clock, and that would be the end of our evening.

As hon. Members will know from their own high streets, young people now go out much later. I saw that they were not going out on the streets until 10 or 11 o'clock in the evening and when they arrived, they were already half-cut. As the phrase goes, they had "pre-loaded". While at home, they drank alcohol that they had bought from supermarkets at cheap prices. That is the heart of the matter and something we must address if we are to offer real support to the pub trade.

While there is a vast differential between the off-sale price and the price at which pubs are forced to sell their drinks, people will always drink at home. If one can buy 24-packs of strong lager, or a can of lager in the supermarket that is cheaper than a can of Coca-Cola, that is the biggest nudge of all.

Jane Ellison (Battersea) (Con): On that point, perhaps I could read out a letter that I received from Mr Geoff Dennis, manager of The Goat in Battersea:

> "We have all seen the results of young people 'pre-loading' on cheap alcohol in preparation for a night out, which can often lead to alcohol-related crime and disorder and only causes problems that we as pub managers then have to deal with later on in the evening. Below-cost selling of alcohol directly threatens the future of pubs which offer not only a focus for community life but also provide a safe and supervised place…to drink responsibly."

Andrew Griffiths: My hon. Friend and Geoff from The Goat make a point of which we must all be aware. Not only do pubs suffer as a result of the price differential, they have to deal with the consequences. Although Tesco might sell a bottle of Lambrini for £1.90 for the young ladies of Dudley, Burton, or wherever, to drink before they go out, pubs have to deal with the supervision that involves not only the doorkeeper on the door, but those inside who must ensure that they do not serve alcohol to people who are already drunk. Over many years, we have seen the full cost of regulation being borne by the publican, but the supermarkets that have *led to much of the unsupervised drinking do not* have to deal with any of the consequences.

Simon Hart: Does my hon. Friend acknowledge that some supermarkets, including Asda, have changed their policy and introduced minimum pricing and limits? That indicates some positive moves in the right direction.

Andrew Griffiths: I thank my hon. Friend for raising that issue. That is true. I have met Asda and Tesco and some of the other supermarkets. It is important to realise, however, that the devil is in the detail. When we talk about below-cost selling, we need a proper definition of what that means. Asda advocates a below-cost selling method of duty plus VAT. That would be the equivalent of a bottle of wine being sold for £1.90 or a can of lager for 42p. I do not know about my hon. Friend, but I think that that is too cheap. If someone can tell me where I can buy a bottle of wine for £1.90, I might be interested to go and sample some of those wares—responsibly, of course.

Mr Andrew Turner: I am grateful to my hon. Friend for letting me intervene again. Does he accept that many years ago there were things called off-licences? Off-licences seem to have controlled things rather better than supermarkets. What is different?

Andrew Griffiths: My hon. Friend makes a good point. The difference is bulk buying, and the power of supermarkets to drive down the price for the brewers is the crucial factor. Earlier in the debate we heard about the methods used by supermarkets to force down prices paid to our dairy farmers, and we have seen a drastic reduction in the price that they receive at the farm gate.

Karen Bradley: The issue is not just the power of the supermarkets in buying, but the fact that they use alcohol as a loss leader to get people into the supermarkets, where they buy other goods. The supermarkets offset the profit that they make on other goods against the loss that they make on alcohol.

Andrew Griffiths: As always, my hon. Friend is spot-on. We cannot allow a situation in which the supermarkets are fuelling the phenomenon of binge-drinking, which we see all too often on our streets. I am not trying to hype that or to scaremonger. The fact is that the irresponsible pricing by supermarkets has led to an increase in consumption. The facts speak for themselves. In 1992, 527 ml was the average for alcohol consumed at home; in 2008, that increased to 706 ml. In 2000, 733 ml was the average for alcohol consumed away from the home; in 2008, it was 443 ml. It is cause and effect. Cheap, irresponsible pricing by supermarkets is changing people's drinking habits and leading to unsupervised drinking.

Glyn Davies: I thank my hon. Friend for allowing me to intervene again. I agree absolutely with what he is saying. I have been involved in discussions of this type and I am quite often asked, "Well, what precisely would you do about the issue?" My natural instinct is to oppose the idea of regulation, which leads me, in dealing with the issue of rural pubs and prices in supermarkets, to be a bit reluctant to say, "We'll just pass a law to enforce this." I just think that we need to explore what we might be able to do to raise the price charged in supermarkets.

Andrew Griffiths: As always, my hon. Friend's inner conservative core comes through. I do not want to interfere in people's lives. I do not want to interfere in the pricing, but the reality is that either way, society is paying for the impact of irresponsible pricing by supermarkets. We pay for it in the social toll that it is taking on society, we pay for it every Friday and Saturday night in increased policing costs, and we pay for it in the impact on accident and emergency units throughout the country when people have drunk too much alcohol.

Rory Stewart: Would my hon. Friend tax it more? Is that not the way to deal with the matter?

Andrew Griffiths: That is a suggestion. I think that with the new coalition Government, there is now recognition that something needs to be done. My right hon. Friend the Home Secretary, in numerous speeches, has made the commitment to ban below-cost selling. My hon. Friend the Member for Leeds North West points out that we were expecting that last week in a Bill. It did not arrive. It is incumbent on us to press the Government to deliver on their promises, but if we cannot come up with a solution—a method for identifying what is below-cost selling that works—we should go down the taxation route. Exploring the idea of an off-sales tax would be interesting. Such a measure would help to level the playing field between the supermarkets, which have no responsibility for the after-effects of drinking, and the pubs, which, in contrast, have to pay for and deal with the implications when people drink too much alcohol.

I will finish my remarks quickly, because I have spoken for some time, but the industry does have to bear a little responsibility. It has not yet coalesced around a definition of what below-cost pricing means. There is an element of interference from Brussels that prevents us from clearly targeting it. I am referring to European competition laws. However, it cannot be beyond the wit of man for civil servants, the industry and retailers to get together and come up with a solution for below-cost selling that takes into consideration the cost of production, that leads to an increase in the price of alcohol on the supermarket shelves and that will begin to redress the balance and support our pubs.

I say to the Minister that although not many Opposition Members are present, there is a strong commitment on both sides of the House to support pubs and to tackle below-cost selling. We look to him not only to do what he can within his area of responsibility in the Department for Communities and Local Government, but to be a pocket rocket for the brewing industry and the pub industry, to be our champion across Whitehall and across Departments to ensure that we can say that this coalition Government, for the first time, did something to help British pubs.

4.5 pm

Mike Weatherley (Hove) (Con): I congratulate my colleague, the hon. Member for Leeds North West (Greg Mulholland), on securing the debate. It is with some trepidation that I follow the eloquent speech made by my hon. Friend the Member for Burton (Andrew Griffiths). We have heard that the problems facing the pub sector are of great concern to the House. Pubs play important roles as community hubs in many constituencies throughout the country. Accordingly, we need to consider how they can be protected and helped to flourish in future.

I want to draw attention to the way in which live music, in particular, can contribute very positively towards supporting pubs and their future earnings. Last year, PRS for Music worked with the British Beer and Pub Association to conduct research, which showed that pubs with featured music take 44% more money than pubs without featured music; more than 80% of pub managers thought that music would help them to survive the recession; and, on average, pubs without featured music are three times more likely to close than pubs with featured music. In response to those findings, PRS for Music worked in partnership with the BBPA and the Musicians Union to launch a music makeover campaign to encourage pubs to use more music to benefit their businesses and help bring communities together. We should applaud the efforts of PRS for Music, which will be sending advice to 45,000 pubs on how to use music to maintain and grow their business.

We should not lose sight of the fact that the relationship between pubs and music is broadly symbiotic. The music industry is well aware that pubs can provide a platform for new musical talent to develop. Small or secondary venues are very important to the long-term health of the music industry and play an important part in the development of new artists and minority genres of music, adding to the general diversity of cultural entertainment available to the public.

In Hove and Portslade, which I represent, and in the wider Brighton area, we are fortunate that we are reasonably well served by music venues. That adds greatly to the local economy and area. We need to ensure that we can maintain that great asset for the city, which encourages the local music scene and helps musical talent to develop. Music is integral to my area, as is witnessed by: the success of colleges such as the Brighton Institute of Modern Music, which is in my constituency; industry events such as the Great Escape conference; Brighton and Hove being a destination on the touring and gigging circuit; and, of course, the success and future success of home-grown talent. Pubs such as The Prince Albert, in Brighton, offer a venue to unsigned and up-and-coming bands. The excellent Neptune Inn, in Hove, is a key small venue and a marvellous pub. Similar venues include the Latest Music Bar, which offers young songwriters and performers a chance to perform. We jeopardise these pubs and essential music venues at our peril.

The Government have an important role to play in removing unnecessary regulation. The previous Government brought in the Licensing Act 2003, along with a big

[Mike Weatherley]

promise that live music would flourish as a result of the change in the law. In truth, the Act has made it difficult, costly and administratively time-consuming to make live music a part of the licence for premises whose main business is not to provide music.

The 2003 Act had four fundamental objectives: the prevention of crime and disorder; public safety; the protection of children from harm; and the prevention of public nuisance. None of the primary objectives, and in particular the objective on crime and disorder, has ever been substantiated as a concern with regard to live music. Furthermore, there is no evidence that high levels of background music—live or otherwise—in pubs and bars can lead to customers drinking faster or being disorderly.

One of the major challenges of the 2003 Act is that although a majority of local authority licensing committees have adopted a professional and sensitive attitude to requests to promote live music, unfortunately too many have paid too much attention to the views of a vocal minority. Unfortunately, residents are encouraged to object to, but not to support, applications to promote live music. Licensing committees should give live music the benefit of the doubt. The Licensing Act 2003 allows for conditions relating to live music to be added to a premises licence, where necessary, at a review, but the Environmental Protection Act 1990 is also used to prevent noise nuisance. Sometimes an authority's interpretation could be said to be a little draconian. I salute the work of the Noise Abatement Society, based in Hove, and its "Sound Approach" scheme, which helps to facilitate good relationships between responsible venues and those living nearby.

We have a commitment in the coalition agreement to reduce red tape and promote live music, which I very much welcome. I urge the Minister to bring forward the necessary changes to the Licensing Act 2003 at the earliest possible opportunity. We should be able to exempt venues with a capacity of 200 persons or fewer from the need to obtain a licence for live music. An exemption enabling venues of any size to put on a performance of non-amplified music would also be welcome.

I would like to highlight a problem that may be on the horizon. The Police Reform and Social Responsibility Bill is due to have its Second Reading next week. Although I appreciate the need for licensing authorities to be able to impose specific conditions on premises licences and temporary event notices in limited circumstances, we should enable the application system to be as quick, easy and cheap as possible, with limitations on rejections unless there are very good grounds for preventing an event. We should not make it easier to stifle live music performances; rather, we need to find ways to allow live music to flourish. If we do that, we can, in an incremental way, help our pubs to remain open and at the heart of our communities.

4.11 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Given the time and the nature of the debate, I shall restrict my comments to championing proudly the small rural pub. In the old days, rural communities had the post office, the bank, the shop, the garage and the pub. Then, the community had just a few of them, and then even fewer, and now, if we are lucky, it might have only a pub. We are losing pubs at a rate of 40 or 50 a month, as we have heard. That is more than a shame or a mild inconvenience to the communities who depend on them—in many cases, for most of their lives. We can only remove the beating heart from a community once, and yet over the past few years we seem to have done it time and again, and we are then surprised when that community withers and dies.

Hon. Members have made passionate speeches about their areas, and each constituency will have its list of fantastic pubs and institutions. I will be no different, because I want to highlight precisely what this issue means to me. There is a little place in Carmarthen West and South Pembrokeshire called Cresswell Quay with a pub called the Cresselly Arms, run by a great and old friend of mine. In that pub we used to gossip, talk, commiserate, celebrate and do almost everything other than drink and smoke—those were the least of the services the pub provided. Without a shadow of a doubt, it was the one place to which everybody turned at any time of year, for various reasons.

My hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) mentioned the value of the landlord and, indeed, the landlady, and I cannot overemphasise the importance of that appointment. They were more than people who pulled pints and dished out the odd bag of crisps; they were our friends, advocates and advisers. They told us when we were doing things well or badly, if our neighbours were ill, or if the dynamics of the village were changing. They gave us advance warning of things that were important to our communities.

Karen Bradley: I thank my hon. Friend for giving way. He is powerfully making the point, which perhaps has not been made so far, that there is a human cost of pubs closing. Those pub landlords and landladies have put their all into their pubs. They have, perhaps, put their life savings into the pub, and if that pub fails, they lose their home and their savings—they lose everything. We have to remember that human element and cost when we see pubs close.

Simon Hart: My hon. Friend reflects my view. The example I cited—and I cited it because I know that everyone has an equivalent example—completely epitomises everything that a local pub stands for. My landlord—my friend, Mr Cole—has probably carried more coffins than the local undertaker. He is a pillar of the community. He is the pioneer of the big society. He started talking about the big society while we were still babes in arms. Somehow, we have managed to get ourselves into a position where all of that is at risk. We have allowed these institutions to be strangled by red tape and regulation. We have allowed them to be strangled by increased alcohol duty and by layer upon layer of increased planning restrictions, which constrict the ability of businesses to grow.

I make a special plea to the Minister: will he spare a thought for those institutions that have to operate in national parks? I have made a few speeches recently that may lead to me being accused of being anti-national park. I am not, but I hope that national parks across the UK see it as their duty to enable good local community

institutions and businesses to grow. Their job, in my humble opinion, is not to stop growth but to enable it in a way that is sympathetic to the park.

Andrew Griffiths: My hon. Friend makes a very good point. I can give him the example of a hard-working pub in Dartmoor with a small derelict barn, which the landlord wanted to convert to offer more food facilities. The planning application was turned down. An application to knock the barn down was made, and that, too, was refused. The planning regulations are preventing that business from being successful.

Simon Hart: I thank my hon. Friend for his intervention. I am afraid that his story is just another in a long line of examples of bureaucracy strangling rural communities. We somehow have to reset the default position that certain planning authorities seem to have, which is: "Whatever it is, the answer is no." Rural communities are about people. Of course they are also about landscape and buildings, but the landscape and buildings are worth nothing unless there is a rural community to inhabit, embrace and love them.

I will keep my comments brief and conclude with four questions, which may verge on statements. When proposals come along, perhaps through the localism Bill, will the Minister please, please ensure that there is just a little paragraph somewhere saying, "Rural-proof". If a measure has a downstream implication that may disproportionately affect rural communities, please bear that in mind. The previous Government's introduction of the concept of rural-proofing was worth while; the only problem was that they did not apply it. It was a good idea that was not applied. The Rural Advocate was a good appointment, but the position was not properly used. The principle behind it is that no matter which Department is passing legislation or why, it should always check how it applies to rural communities down the line. Does the legislation have a disproportionate effect on them? If so, how can we minimise the damage from that disproportionate effect?

I completely embrace the suggested inclusion in the localism Bill of measures to empower local communities to pick up and run with failing pubs. I am tempted to mention a compelling example of that in Penrith and The Border, but I will not because I have a feeling that someone else might. We must stop the inequality between tenants and freeholders—the beer tie has been mentioned. We must overhaul the licensing system and temporary event notices, which were mentioned by my hon. Friend the Member for Brecon and Radnorshire (Roger Williams), and we must reform the planning system to enable co-location of other services that local communities need and that landlords and their families might wish to introduce.

I should give a big thumbs-up—we should probably say "bottoms up"—to two pubs. The Jolly Farmer in Reigate was able to overcome all obstacles to create a food emporium, which is available to the community as long as the pub is open. It competes with supermarkets on opening hours, and is doing fantastically well. It has tremendous local support and has focused a little attention on the supermarket competition in the area. The Plough in Wigglesworth, Skipton, confronted the problem of a closed post office by converting its old taproom into one, thus enhancing the role of the pub in that area.

Many hon. Members have made important speeches in this important debate about the value and future of the local pub. That is why I want to restrict my speech to just the far-distant corners of Britain, where the pub is more than just a convenient place to go for a pint, and where its closure is a great deal more than a minor inconvenience.

4.20 pm

Neil Carmichael (Stroud) (Con): Thank you, Mr Benton, for allowing me to go to the main Chamber for the other debate, in which I have yet to make a contribution, though I hope to. I have made two interventions in this debate so far. One was to underline my new "Neil's coalition brew". I forgot to say that it will be available next week, for those who wish to sample it. The other point I made has been picked up by other speakers, and it was about localism and the importance that the localism Bill will have for local pubs. I would like to add to that point and say: let us encourage our councils to be bold and imaginative.

I have picked up a theme from one or two of the speeches: councils sometimes think that no is the best answer because it is the easiest. We want to see local councils setting out a vision—an agenda that matches people's aspirations and, in this particular case, matches the desire for good local pubs. That requires the empowerment of local councils. Another important point about local councils is that they have to learn to enforce matters more rigorously and effectively. Enforcement is the other side of the coin to making decisions. That is a point that needs to be emphasised with regard to pubs.

There are too many restrictions. In my constituency, I have a problem with signage. Unbelievably, some pubs are having difficulty making their wares and services known, because the highways authority is not best pleased with signs on pavements and roads. That has to be handled in a more flexible way. Otherwise, we will drive past places without knowing that they are there or what they do. I make a plea to local authorities generally and to the Government in particular to encourage a sense of fair flexibility.

There are loads of pubs in my constituency; hundreds of them are very good. I have several favourites: The Woolpack in Slad—"Cider with Rosie" records activities in Slad valley—The Ram Inn in Woodchester, an excellent pub, and The Old Spot in Dursley. I could go on, and probably should, because there will be some who say, "Why did you not mention me?" I picked those three because they use their imaginations: they do things beyond what is normally expected of a pub. That is one characteristic of pubs that we need to encourage. If the Minister or hon. Members see a pub that is going further down the road of inventiveness, encourage it and allow that to happen. That would be useful to the industry.

Hon. Members have talked about supermarkets. We have to recognise the cartel problem, as regards both supermarket pricing and the ownership of pubs. We have to think carefully and astutely, with our minds on what business wants. We cannot stand in the way of business, but we must allow business to operate in an environment that is competitive and enabling. The

[Neil Carmichael]

Government need to go back and think carefully about cartels and the capacity that they have to disrupt a perfectly good business.

I want to finish there, because I think most of the other points have been well made. If people want to do something, they should not just say it is a good idea; let us do it. They have to follow it through. The Government have a great opportunity to do that.

4.24 pm

Jane Ellison (Battersea) (Con): I am delighted both to take part in this debate and that my hon. Friend the Member for Leeds North West (Greg Mulholland) secured the opportunity to hold it. As we can see, it has attracted great interest. I would like to put on record my support for the pub as an institution and to raise a number of specific concerns on behalf of landlords and proprietors in my constituency, which I hope the Minister will consider.

My right hon. Friend the Member for Witney (Mr Cameron) launched the big society at Battersea power station in April. I am not sure he thought that they would later be talking about it in the Eagle Ale House, a great community pub in my constituency, just a few miles away. I was honoured to be asked by Mr David Law, one of the landlords of the Eagle, to write an editorial for its summer beer and music festival programme, about the role of the pub in the big society. I was delighted to do so, as great pubs have always been at the heart of what is best about Britain, and we have heard about some fantastic examples in the debate. If the big society is partly about bringing people together to do things for themselves and others, the great British pub is already at the heart of the big society, as has been mentioned by other hon. Members.

The kind of festival put on by the team at the Eagle several times a year takes a lot of effort—the staff make that effort because they want to, not because they have to. We may call it the big society in action or we can call it something else, but it is fantastic, and it was a pleasure to support that beer festival—several times—as it is a pleasure to support so many of the excellent pubs and bars in my area.

However, the Eagle and other pubs are struggling under the combined weight of regulation and the tie. Several hon. Friends have covered that in great detail, so I will not repeat it. However, when that landlord offered me the prospect of writing for his festival programme, he also raised his grave concerns about the Brulines measuring equipment that was installed in his pub at the time, and how it was being used. Those concerns were explored by the Select Committee on Business, Innovation and Skills when it reported on the matter earlier this year, and it expressed some concern. When I made enquiries of my local trading standards officers, it was clear from their reply that they also had concerns. The subject has been raised already in the debate, and I hope the Minister will comment on the trading standards protocols in this area.

Moving on to the new mandatory licensing code for alcohol retailers, passed as part of the Policing and Crime Act 2009, which has been applicable from 1 October this year, the specific requirement is

"to ensure that customers have access to free tap water so that they can space out their drinks and not get too intoxicated too quickly".

The penalty for non-compliance with this condition of the code is a fine of up to £20,000 or six months' imprisonment—or both. The initial response recommended to local authorities is a review at least by the licensing authority of the premises.

A freedom of information request earlier this year revealed that, although that was a Home Office measure, backed by the Department of Health, when the various Government Departments were consulting, it was opposed by the Department for Culture, Media and Sport and by the Department for Environment, Food and Rural Affairs. Although the Department of Health backed the idea, the DCMS objected to the proposal to include free tap water, partly because it said it veered into the health objective territory and was therefore inappropriate for a licensing code. The DCMS argued in its response to the consultation:

"This is not proportionate—we need to see evidence that this is necessary, especially given that refusal could lead to loss of licence etc. Do publicans really often refuse to provide water to customers who have purchased and consumed any kind of drink or food? There are also laws to stop the sale of alcohols to drunks and purchase on behalf of them etc. so this measure, in effect, is unnecessary."

DEFRA gave evidence along similar lines.

I raise this because there is an example in my constituency, and I am sure that there are others. I have received a communication from Sylvia Rushbrooke, who is the proprietaire of Le QuecumBar and Brasserie, which is London's

"world premier Gypsy Swing venue"

and a noted Battersea venue. Le QuecumBar is an all-seated venue with live music every night and table service for drinks and food. The consequence of the relevant part of the licensing code and its draconian penalties is that people drinking free tap water can occupy a seat that would otherwise go to a paying customer. In a lot of other countries, even if customers want to order just water, they have to pay a cover charge.

I am aware from informal conversations that the licensed trade's response to the consultation on free tap water was mixed. However, I cannot believe that hard-working proprietaires such as my constituent were meant to suffer a loss of trade as a result. It is a completely disproportionate response to a problem that it does little or nothing to solve. I quote some of the less critical parts of Ms Rushbrooke's e-mail:

"This is just another nail in the coffin…we are being forced to give away an unlimited amount of a product that costs me money—water. Forcing a business to give away something that it pays for is immoral and costly. How many man hours were wasted thinking up this banal law? We have enough problems just surviving."

I ask the Minister to consider that aspect. I fear that it is an unintended consequence, but it is a bad one.

I end by associating myself with the comments of my hon. Friend the Member for Hove (Mike Weatherley) on live music. With a fantastic team of people, I co-founded the Mill Hill music festival in north London in 1995, and we enjoyed huge co-operation from people in many local venues, including pub landlords. Of all the things that I have done, it is the one of which I am most proud. The festival was a great community activity, but such are the barriers to providing live music in pubs that I

wonder if we could do it again today. It is wrong that we should not be able to do so. I congratulate my hon. Friends on securing this debate, and I look forward to the Minister's response.

4.31 pm

Glyn Davies (Montgomeryshire) (Con): This issue is of huge importance to my constituency. Like my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart), I shall focus on rural pubs in isolated villages. In truth, my constituency has nothing but small villages. There is nothing else there.

The rural pub has played a huge part in my life—and, indeed, in the lives of all who have lived the same sort of life as me. I left school when I was 16. I joined my father on the family farm because he was ill, and I became an active member of the local young farmers club. It was incidental that the local pub was a place to drink; it was the social centre of my life. The young farmers club would sometimes meet there, or sometimes adjourn there after its meeting.

We probably did not go for the purpose of drinking to the Horse Shoe, the Lion or the Talbot—nor the Nag's Head, which sadly closed but which I am delighted to say is on the point of reopening. We would probably have gone out four or five nights a week, and the pubs would have been full, with a huge amount of activity.

Many people do not appreciate the importance of darts and dominos in small villages. Almost everyone in our village plays darts or dominos. I hesitate to say that visiting the local pub so often was the ideal training for becoming a Member of Parliament, but there is an element of that. For example, there is the sheer pressure of playing dominos when the entire pub is looking on to see what you drop. Members have told me of the sheer awesomeness of making a maiden speech, but that is nothing compared with my experience of playing for the Wellington B team in the final of the Richards cup at Welshpool; it was standing room only, and a message was passed to the other room about the wrong domino that I dropped when we were two-all and I was No. 5. The point is that the rural pub is important to small villages.

Before becoming a Member of Parliament, I was involved in various activities, including being president of the Campaign for the Protection of Rural Wales—I say this because I want to put the rural pub in a slightly wider context—although I gave up that post when I became a Member, as I felt that there was a degree of conflict, as well a problem with time. The dominant issue when I became president a few years ago was onshore wind farms. Everyone thought that that was the only thing that we wanted to discuss. However, if anyone asked me what was the most important issue for the organisation during my years as president, I always said that it was rural services. That was far and away the most important matter in rural villages in Wales, and it was probably the same in rural England.

We know of the pressures on small schools, which continue to close in my constituency and in that of the hon. Member for Brecon and Radnorshire (Roger Williams); our education authorities are inextricably linked. Many of our local shops are closing. In the last year or two we have seen a significant number of post offices closing—and we consistently see small rural pubs closing.

In an intervention, I expressed my antipathy towards, and discomfort with, new laws and regulations, and that is an instinctive part of my politics. However, if we thought seriously about what we should do about the disappearance of local services, we could not say that we should not resort to regulation if appropriate. We have to take a common-sense position; we should act proportionately and be prepared to do things that we may instinctively dislike. If we are serious about retaining our local services, we will have to do so.

A number of concerns have been mentioned today, but in some ways it is about our attitude. Several of my hon. Friends spoke about the planning process. I can speak with some freedom, because many planning matters are devolved in my constituency, so I shall not be at variance with what the Minister might say. We need a different frame of mind. We need to be willing not always to work with a book of rules and laws and consider every application exactly in line with them. We need common sense. We see applications being turned down when everyone knows that it makes no sense to do so.

This is to do with the whole gamut of rural services, not just local pubs. I look forward to the Protection of Local Services (Planning) Bill, which will receive its Second Reading in the new year. It will be a really interesting Bill for all Members, as it will show what we are prepared to do to protect rural services. It will be a philosophical debate.

Chris Skidmore (Kingswood) (Con): I am enjoying my hon. Friend's speech. Many rural pubs are historic institutions, which have been around for centuries, often in listed buildings. They are hubs of the community.

We have spoken of the willingness not to resort automatically to legislation and regulation, but I wonder what my hon. Friend's views are on using preservation orders for the historic buildings of country pubs if there is a change of use or if they close temporarily. The White Hart in the village of Bitton in my constituency has lain empty for two years, and Punch Taverns has sold off the freehold to many pubs. There is a risk that such pubs will be transformed and put to a completely different use. It may be against our instinct, but we should use legislation or regulation to preserve rural pubs that have been in use for centuries.

Glyn Davies: I sympathise with my hon. Friend's proposal, but I cannot be precise in my opinion. We have to approach the Protection of Local Services (Planning) Bill and other legislation with common sense. It is certainly a valid view if the pub plays a significant part in the local community. Pubs sometimes close not because they are not viable but because they have been made unviable by people who see an opportunity to make more money out of them. That is what I meant by considering not only pure planning policies. I know of the difficulty of making certain that every decision is taken with a view to what an inspector might say. However, I believe that as parliamentarians we have to use common sense and flexibility in delivering what we want, and retaining public services in rural areas is incredibly important.

I want to touch on two other issues that matter to me. Attitude is important. I was a Member of the National Assembly for Wales when the smoking ban was passed.

[Glyn Davies]

My libertarian instincts are such that I was one of only six Members who opposed the legislation. Although I do not want to criticise another parliamentary body, I must say that when we initiated a debate about wanting to retain a smoking room, or a place in which people could smoke without affecting anyone else, there was a comprehensive antipathy towards the whole idea. Although I felt that we were arguing on a rational basis—I thought that the case that we were making was bombproof—it was almost as if there was no willingness at all to compromise or to look at common sense, and it is that attitude that we need to change.

I should like to go into the supermarket issue, but I will not, because it has been covered so extensively. Diversification—or co-location or amalgamation of services—is a crucial way in which we can retain rural services. I can cite some superb examples from the area in which I live: two community shops have just opened and two pubs have taken on post office business. We have wonderful new community shops in Trefeglws and in Llanfechan; I officially opened one of them and went to the opening of the other fairly recently. We need to see such developments if we are to retain local services. Planning authorities and local authorities need to support such enterprises and give them every encouragement.

As I have earned my living through farming, I understand the problem with supermarkets selling goods at a lower price. It will be incredibly difficult to resolve that. Taxation is one way in which we can deal with it, but the levies that would be imposed would have to be very high indeed. The agriculture industry has an ombudsman who looks at the position and can say to the developer, "Oh, you are being unreasonable". There are many good examples, but there are also many bad examples, and we must find a way in which to highlight them if we want to defend our local services.

Several hon. Members *rose—*

Mr Joe Benton (in the Chair): I remind hon. Members that I intend to start the wind-ups at 5 o'clock, and there are still a number of Members who want to speak. Please bear that in mind, and try to be as brief as possible.

4.43 pm

Mr David Nuttall (Bury North) (Con): It is the first time that I have had the pleasure of speaking in a debate chaired by you, Mr Benton. I congratulate my hon. Friend the Member for Leeds North West (Greg Mulholland) on securing this debate and my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) on opening it so well.

My hon. Friend the Member for Staffordshire Moorlands mentioned the fact that the building was the most important part of the pub industry. Although I agree that it is an important part, I submit that it is the customer who is extremely important, and that the lack of customers is the root cause of the problem in the pub industry. I am conscious of what you have said, Mr Benton, and I will try to share the time that is left before 5 o'clock and not take it all up myself. I will also try not to cover the points that have already been made by others.

I, too, must declare an interest. Although I am a member of CAMRA, I do not subscribe to everything that it campaigns for. My interest in the pub industry is purely as a consumer and not as an owner or manager of a public house.

The pub is the centre of the community in many television soaps—the Rover's Return in "Coronation Street", the Queen Vic in "EastEnders" and the Woolpack in "Emmerdale"—which has led many people to believe that it is fairly easy to run a pub. In my previous life as a solicitor, we were often called on to advise people who had a lease to run a pub that ran to dozens and dozens of pages. At least some of them came to us before they had signed the lease. One of the problems with the pub companies and the prospective lessees is the inequality of bargaining power. I submit that one way of dealing with the problem, without a great deal more red tape, is simply to require that a prospective lessee signs a document to say either that they have been properly advised about the nature of the document that they are about to sign or that they have taken a conscious decision to ignore the dangers of signing such a document. A 20-year lease can indeed be a benefit in that it gives security of tenure, but it can also be a burden when it comes to trying to sell the lease.

Why are pubs closing so quickly? I submit that it is because our way of life is changing, as are social trends. Some 30 pubs close every week, which is 1,500 a year. In the average constituency, a dozen pubs will close before the next election if it is in five years' time. The problem is that we have had not too little red tape and regulation on our pub sector but too much. Very often that results in unintended consequences. Members will know that I introduced a ten-minute rule Bill on 13 October to give landlords the freedom to decide whether or not to have a separate room in which people could smoke provided that no food was being served and proper ventilation was in place. The Bill was defeated, but it is time for the Government to review the operation of the smoking ban.

The way forward must be diversification. We must ensure that pubs are used for more than just a few hours in the evening. We have gastro pubs, sports pubs, real ale pubs and music pubs, but we must use them in the day as well. We could use them as libraries, post offices or parcel collection points. They could also be ideal meeting places for groups. I am talking about pubs not just in rural areas but in the suburbs. Very often, when a pub closes, it is the last focus of a community—whether that be in a small rural village or the outskirts of a large town or city.

I am conscious that I have used up my six minutes, so I will close my remarks.

4.48 pm

Rory Stewart (Penrith and The Border) (Con): I, too, will be brief. Is there just one more Member to speak?

Dan Rogerson: Two more.

Rory Stewart: My apologies. I will limit myself.

This is an enormously interesting debate partly because—rocks hitting the building aside—it is a debate that we would not have had in the past. When Winston Churchill tried to talk about pubs, it was an incredibly controversial subject. When he was a Liberal, he ran his entire campaign attacking the Tory Government on the basis of the open hand at the Exchequer and the open door at the pub. In my own constituency, pubs were a taboo subject. This whole debate would have been like arguing for a larger salary for Jonathan Ross. It would have been a suicidal debate in this Parliament before the second world war.

So I am grateful that this debate is happening and I am grateful to the Members of Parliament who have spoken so eloquently about the glory of our pubs. For example, my hon. Friends the Members for Filton and Bradley Stoke (Jack Lopresti) and for Carmarthen West and South Pembrokeshire (Simon Hart) spoke in an extraordinary way about what a pub means to us. It is not just about the young farmers' club—I have also cycled from pub to pub with the young farmers' club—but about what pubs mean for the broader economy. In my own constituency of Penrith and The Border, pubs are important for tourism. For example, the George and Dragon at Garrigill is an absolutely essential pub for tourists on the coast-to-coast route and the Pennine way. People need to stop and eat. Pubs are essential to the broader economy.

I represent the most sparsely populated constituency in England. We have 280 pubs in the Eden district alone for 50,000 people—a density of pubs that is more than six times higher than the national average. That reflects the nature of our communities and the nature of our identity.

However, the problems that these pubs face are not problems that we can belittle or try to micro-manage from Parliament. Structural issues across the country have meant that, since 1997, 2,200 schools, 550 clinics and hospitals, and 330 police stations have all closed. The pubs are part of that broader movement of the stripping-out of rural services. These are structural issues. In France, they are fighting to protect the French bistro. France has lost 6,000 bistros. So we cannot imagine that these events are simply accidents of pricing or smoking policy; instead, they are a whole shift in culture.

The small solution that I want to propose in the limited time that I have available is community pubs. The community buy-out of the Crown at Hesket Newmarket was, of course, the first in the country. Cumbria is now repeating that fourfold. However, these are very difficult things to do. The problems that communities face in buying out pubs are the same problems that they face with everything: problems with financing; problems with organisation; problems with regulation, and problems with landlords who refuse to sell. As Members of Parliament, we have a unique role to play on behalf of communities, convincing landlords to sell and convincing communities to come together and find financing, through the Plunkett Foundation or the big society bank.

In the end, however, two things remain. The first is that communities know more, care more and can do more than people in Westminster, and the second is that we need to recognise that, with all our orthodox attachment to the free market, this sector is an example of where it may be necessary to have subsidy and regulation, to protect something that cannot be quantified simply—a value that spreads into the deepest recesses of English civilisation.

In a room such as this one—a wooden hall—one of the very first elements of law saw King Edgar the Peaceful introduce legislation on the licensing of alehouses in 965AD. It is with that point that I conclude—and with a great testimony to the introduction of music. Let us say, as Churchill and our other predecessors could never have said, "Let us sing, let us eat, let us drink, let us be merry, for tomorrow we die."

4.53 pm

Dan Rogerson (North Cornwall) (LD): Thank you, Mr Benton. I will obviously be brief.

I congratulate my hon. Friend the Member for Leeds North West (Greg Mulholland) on securing this debate and the hon. Member for Staffordshire Moorlands (Karen Bradley) on introducing it so thoroughly and persuasively, by framing the issues that face us. I should also declare myself as a member of the Campaign for Real Ale, as others have done before me.

Last Saturday, I had the honour of reopening the Masons Arms in Bodmin. It is a free house and a pub that I may owe a great deal to, given that it was my parents' local before I was born. Perhaps, therefore, my very existence may be in some way connected with that pub.

The Masons Arms has gone through the journey that has been described by many other hon. Members today. It was a very successful free house; it was built up and extended, a restaurant was put in by the owners, and then it was bought up, with an offer that the owners could not really refuse from a pubco, which paid silly money for it. It was then run into the ground over a number of years by various tenants. The kitchen was stripped out and sold off. Then the pubco had to put it on the market for much less than half the amount that it had bought it for. It was a crazy model for the pubco and it was very destructive for the people for whom the pub was their local. However, I am delighted to say that a local businessman has bought it and a local couple have taken it on and reopened it. I am sure that it will be a great success.

Other Members have also mentioned the use of pubs for a range of purposes in their communities. I would like to mention the Tree Inn at Stratton, where a couple of years ago the local post office, which had been closed because the owner wanted to sell the building off and turn it into flats, was taken on by the couple who run the pub and it is very successful now in that location.

Given the limited time available to me, I will just say that I absolutely echo the points made by the hon. Member for Hove (Mike Weatherley) about live music. Live music is hugely significant and part of what we enjoy about our pubs. We need to protect live music in our pubs and make it far easier for pubs to encourage local musicians and so on to carry on.

I also echo what hon. Members have said about tax and duty. The Government may be able to look at those issues, to protect real ale in particular but also to protect community pubs in general.

The Minister who I know will do a fantastic job for the pubs industry, is also the planning Minister, as has

[Dan Rogerson]

already been mentioned. I would say to him that the issue of planning is crucial. The hon. Member for Romsey and Southampton North (Caroline Nokes), who is no longer in her place, was concerned that imposing restrictions might lead to more boarded-up pubs, but I would argue the opposite. It is the hope that companies have that, at some point in the future, they might be able to turn pubs into flats that leads to pubs being boarded up. If it is absolutely clear that a pub will be used only as a community pub or that type of community facility, it will have to remain as a pub and whoever owns it will have to make preparations for passing it on to somebody who thinks that they can make a success of it.

I do not think that it is any accident that the pubcos are suffering, because their business model does not seem to have worked. What is a good-news story, however, is that many of the pubs that have been owned by pubcos and that have failed, for example in the town of Bodmin, have come back on to the market. In the last few years, I can point to three or four pubs in my area that have now been taken on by local people who are running them as free houses, and they seem to be functioning successfully, despite all the other factors that we have mentioned this afternoon.

So I think that there is a very positive future for the pub. Community pubs are crucial, doing a wonderful job for our communities in urban and rural settings, and I am certain that this coalition Government will do all that they can to ensure that those pubs have a very successful future.

4.56 pm

Andrew Jones (Harrogate and Knaresborough) (Con): Thank you, Mr Benton, for the opportunity to speak today. I will be as brief as possible. I know that you want to finish with Members' contributions in a few minutes.

I simply want to draw the attention of Members and the Minister to an organisation based in my constituency, which has been referred to earlier. That organisation has been doing excellent work to help pubs to change, thrive and survive, and through that process underpin rural communities. The organisation is called Pub is the Hub. It is a national organisation. It does not just work in Harrogate; Harrogate just happens to be its home. It is almost 10 years old and it was initiated by His Royal Highness, the Prince of Wales, in his role as president of Business in the Community.

We have talked about how rural communities are facing major challenges. We have seen rural pubs disappear and pressure put on village schools and post offices. The key idea behind Pub is the Hub is to provide support for rural communities by maintaining the viability of the local pub at the heart of the community. The organisation does that by promoting diversification, as other Members have mentioned this afternoon. It especially promotes diversification into providing some of the important services that might not be provided otherwise. So it achieves two goals; it maintains important local services and it prevents the diminution of rural communities by underpinning the ancient tradition of the pub.

Pub is the Hub is a simple idea and, as with lots of simple ideas, it works. It has achieved 360 or so successful projects and it has been involved in a further 220 projects that have also been successful. Each project is different; each pub and each community is different, with different needs, and the services that each pub provides are different, too. The pubs involved provide everything from allotments to village shops, and from cooking school meals to providing a local post office, which Members have talked about. I know that the organisation is also talking to some county councillors about the provision of library facilities.

Twenty communities have taken over their local pub entirely and a further 12 communities are in the process of taking over their local pub. Across all the schemes, the economic impact is extremely positive. The average result is that four part-time jobs are created. However, the economic impact is a little broader than that, as the projects frequently have a positive effect on local suppliers.

Other people have mentioned case studies. I was going to highlight some case studies myself. However, for people who may not have much knowledge of the Pub is the Hub organisation, it has a very good website, which details the projects, as well as some of the costs and where the different sources of funding for projects have come from.

A pub is basically helped in two ways. First, the sharing of the overheads creates a more stable financial platform for the pub. Secondly, the pub is placed at the heart of the local community. Help for licence holders in supporting community services is about to be developed further. In January, a community champion programme will be launched in several parts of the country including my own, north Yorkshire. As pubs diversify, we must be careful that we do not penalise landlords with huge hikes in business rates. In rating assessments, we must be sensitive to the different types of activity taking place in one establishment.

Pub is the Hub is a voluntary, not-for-profit advisory organisation and its running costs are met by donations from breweries and pub companies. Its independence has helped it win involvement from different partners; it is clearly not run for its own financial gain but in order to secure the strengthening of rural communities, the provision of services and the future of pubs as viable businesses. Communities work together, as do the public and private sectors. It is an excellent example of the big society in action.

Mr Joe Benton (in the Chair): Before we commence the winding-up speeches, I should inform hon. Members that the vote in the main Chamber will be held at 25 past 5.

5 pm

Jack Dromey (Birmingham, Erdington) (Lab): It is a pleasure to serve under your chairmanship, Mr Benton. I congratulate the hon. Member for Leeds North West (Greg Mulholland), who has a passion for the pub, on initiating this debate. I also congratulate the hon. Member for Staffordshire Moorlands (Karen Bradley) on putting a powerful case for the pub. I agree strongly with the hon. Member for Penrith and The Border (Rory Stewart) that one of the great strengths of Westminster Hall debates is that they enable us to focus on what matters

to communities all over the country. Pubs are the centre of such communities. I congratulate the all-party save the pub group and the all-party group on beer.

This has been a fascinating debate, with esoteric contributions ranging from the Churchillian to tales of misspent youth, but all contributions have pointed in the same direction. They have recognised that responsibly run pubs are the hub of local communities all over Britain, provide a safe and sociable place for people to go, including with their family, and are the centre of local community activities. Pubs are a quintessentially British institution.

The Lad in the Lane in my constituency is one of the oldest pubs in Birmingham. Anyone who goes there on a Sunday morning will know how wonderful it is to see the pub packed with families out for a good day together. At The Bagot Arms, one can see workers from the local industrial estate, including from Jaguar Land Rover. The Yenton is one of the oldest pubs in the Erdington area. The New Inns, which takes me back to my misspent youth in Irish pubs in Kilburn, is a great pub for a great night out. I have long had association with other institutions related to the pub industry, including the Workers Beer Company.

Some 27% of adults go to a pub once a week. The economic impact of pubs and the pub industry is massive, contributing £28 billion to our economy. The benefits for the Exchequer are enormous: £1.14 for every pint drunk in a pub, compared with 55p per pint drunk at home. Therein lies a problem to which I will return later. The pub industry directly employs 540,000 people, and 380,000 are employed in associated trades. I know from my experience as deputy general secretary of Unite that the industry employs excellent people, from brewery workers to members of the National Association of Licensed House Managers, which became part of the old Transport and General Workers Union. Moreover, 90% of what is sold in pubs is produced in the UK. Pubs are good news for our economy as well as being the centre of our communities.

The hon. Member for Leeds North West has said on previous occasions that Britain's biggest pastime is going to the pub. In terms of tourism, every year, more than 13 million people who come to our shores visit pubs. Our Government took some welcome steps—but. The welcome steps included enabling pubs to spread the payment of the inflation uprating of business rates over three years. The business payment support scheme run by Her Majesty's Revenue and Customs benefited many pubs, and other support was given through low-cost loans and advice on energy efficiency that enabled many pubs to save on energy bills. But—let me be the first to acknowledge it—the simple reality is that since the 2008 Budget, 3,500 pubs have closed, and it is estimated that the pub industry will lose 112,000 jobs by 2012.

The hon. Member for Burton (Andrew Griffiths) put it well when he said that all parties went into the 2010 general election recognising both how valuable pubs are and that those in the Government must act. My right hon. Friend the Member for Wentworth and Dearne (John Healey) spelled out three aspects, in particular, of a 12-point plan. The first was a £4 billion programme of business support, including help for communities to buy into local pubs. The second, crucially, was a strengthening of councils' powers to intervene to allow communities a greater say, including about change of use, and a planning regime that facilitated and encouraged pubs to branch out, as has been discussed in this debate, into everything from selling stamps to becoming gift shops. The third was our support for the position—on which the hon. Member for Northampton South (Mr Binley), with whom I have had the pleasure of working over the years, admirably led—taken by the Select Committee on Business, Innovation and Skills, when it identified the problem of pub tenants with beer ties having to buy everything from pubcos and recommended greater freedom for tenants to buy local to support local economies. We were right to support the Select Committee's message that if the industry did not clean up its act, legislation would be necessary.

Andrew Griffiths: The hon. Gentleman is describing all the things that the previous Government did to support the pub industry and the brewing trade. Does he think that increasing the duty on beer by 60% was a positive or negative thing to do?

Jack Dromey: I have acknowledged that the increase in duty contributed significantly—although it was not the only factor—to a trend that led to 3,500 pubs closing.

There is a range of threats ahead of us. If the economy has a rocky year in 2011, that is likely to exacerbate the trend of stay-at-home drinking. The combination of reduced consumer spending and ever-rising costs—including the VAT increase from January 2011—is bound to have an impact. So, too, is the continuing trend, of which we have seen evidence in the past 12 months, of pub prices rising slightly while prices in supermarkets fall. Below-cost selling is a growing threat.

To return to what the hon. Member for Burton rightly said, there is substantial common ground in this debate. We would like to work with the Government on a range of issues, which I shall identify. First, action is necessary on below-cost selling, and that includes having an adequate definition of what that is. It is true that Asda has taken welcome steps in the right direction. My experience of Asda is that it has acted in a socially responsible way on other issues as well, including on labour market standards in its supply chain. I welcome that. Having said that, I find it hard to see how to deal with this issue other than through Government acts. If the industry is incapable of dealing with the issue, the Government will have to act. The hon. Member for Penrith and The Borders was right when he said—he did not say it in this way, but I will put it in my own way—that he hoped that hon. Members would not get out a clove of garlic in one hand and a cross in the other at the very mention of regulation.

That was my first point. Secondly, will the Minister respond to the comments from the excellent CAMRA on the differential rate of duty imposed on on-sales and off-sales? Thirdly, given that the sale of food is becoming ever more important in pubs, does he recognise that the increase in VAT from January 2011 comes at a difficult time for the pub industry and will have an impact? Fourthly, I think that there is a case for the late-night levy, but only 2% of pubs and clubs have late-night licences. The big problem is the 44,000 hotels, the 1,700 supermarkets, and the sale of below-cost alcohol. Pubs often have to deal with the consequences when people arrive already having boozed. We are in favour of the

[Jack Dromey]

late-night levy, but pubs are entitled to feel aggrieved about the impact that it sometimes has on them.

Fifthly, the planning regime is crucial in the ways that I have addressed, and I hope that the Government will act on that. Sixthly, on the crucial issue of beer ties, we would like to propose a pub summit that would bring representatives of the industry together. We should tell the current beneficiaries of beer ties that if they are unable to change an unacceptable practice that is having serious consequences for those who run pubs up and down the country, the Government will act.

There was one point made in the debate that I think should be disregarded. It was absolutely wrong to resurrect the issue of the smoking ban. I say that for numerous reasons, but in particular because, having represented the union members concerned, I knew people who contracted cancer and died as a result of working in licensed premises. I think that that debate should rightly remain closed as we move on. In conclusion, the Minister is a man who is giant in stature. I know that he has heard the contributions from all parties represented here today, and I hope that he will respond positively.

5.12 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a great pleasure to see you in the Chair once again, Mr Benton. I thank all the Members who participated in what has been a positive debate, particularly the hon. Member for Leeds North West (Greg Mulholland), who has been a doughty champion of pubs, and my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), who introduced the debate in an exceptionally well-informed and persuasive manner. The debate has been remarkable in two respects: it has been unusually well attended for a Westminster Hall debate; and those who participated clearly have direct and personal experience of the subject, which we do not always see in our debates.

I say to my hon. Friend the Member for Burton (Andrew Griffiths) that I have had the pleasure of visiting some of the public houses in his constituency. I cannot pretend to have visited every public house mentioned in the debate, but I was pleased that the Eagle in Battersea was mentioned, as I used to visit it in my past life. It will not come as a complete surprise to Members to hear that it is quite possible that I will find myself in a public house in my constituency at some point over the weekend. Unlike my hon. Friend the Member for Staffordshire Moorlands, I did not grow up in a pub, although my mother sometimes thought so.

We face a range of important issues, as the hon. Member for Birmingham, Erdington (Jack Dromey) rightly said, and I welcome the constructive approach that he adopted. The Government are more than happy to work with all parties to find constructive ways forward to support what is a fundamental and great British institution. I hope to address most of the points that have been raised but apologise if I do not, as the time available is limited. I am sure that I will be able to write to Members and keep them informed about other matters. I will make no comment on my reaction to being asked to take over this job, other than to say that it was not a great struggle. As for the appropriateness or otherwise of my stature, they do say that good things come in small packages.

I have already met a number of representatives of the sector and am aware of the issues that have been raised, so I will address them first. The Department for Communities and Local Government is undertaking considerable work focusing on the ownership and running of community assets, and my hon. Friend the Member for Penrith and The Border (Rory Stewart) and others referred to that. The pub is part of the big society in a very positive way, and I was delighted to hear about the work of the big society vanguard in Eden valley that he is involved in. Pubs are a key part of that. My hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) made the same point strongly, and it has resonances for many of us.

We recognise that pubs, like village shops and community centres, can be invaluable assets in helping to strengthen community relationships and encourage social cohesion, so we intend to address that in order to make progress. The localism Bill, which I promise will be introduced to the House very shortly—I hope that it will make good Christmas reading for all those concerned—will demonstrate our determination, because we want to provide people and community organisations with a fair chance to take over facilities and assets that are important to them. We will use the Bill as a vehicle to address that and certainly envisage that it could include local pubs, where appropriate. As the Bill has not been presented, I cannot go into the detail, but I can assure Members that we have taken on board the issue of community rights to acquire and to challenge, which link to that in relation to some other services.

My hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones) rightly referred to the work of Pub is the Hub in that context. I had the pleasure of meeting representatives of that organisation in a pub in Yorkshire not long after my appointment, and we are keeping in touch. That is another good example of how a number of services could be pulled together to keep both the pub and the village viable, so we are taking the appropriate steps to address that.

Planning will involve two pieces of work: we are determined to give local communities greater power through the localism Bill to shape their own visions for planning; and our proposals for the creation of neighbourhood plans will give local communities exactly the opportunities to say what sorts of developments are part of their vision, and under what circumstances. We will need to talk through the detail, but that raises some of the opportunities that have been mentioned and some of the impediments and perverse consequences of the existing bureaucratic system. That is the opportunity and the vehicle to deal with that.

Members will know that much of planning policy in this country is made through guidance, rather than primary legislation, and that remains the case. We intend to consult fully and widely on the whole national planning framework that we are providing, which can include the national steer. That will give context to the community plans that we will enable through appropriate legislation. The opportunity to do that arises exactly in that context. That also takes on board the need, which I am conscious of, to recognise diversification.

I have come across the example of the George and Dragon in Hudswell in Yorkshire, which was taken over by local people using community shares to raise funds. The Government remain committed to exploring the idea of using more social finance to leverage in the opportunity for communities to raise funds and to get them on to a level playing field, because access to finance is sometimes an impediment to such initiatives. I happen to know that one of the shareholders of the George and Dragon is my right hon. Friend the Foreign Secretary, so that commitment runs right through the Government.

I am also conscious of the importance of diversification and creative thinking in that regard. There are many types of business activity that can be linked to pubs, as has been said, and we should take those on board.

I understand what was said about the impact of VAT. I will be honest. In a difficult economic situation, it is not possible to deal with all these issues. We want to give pubs not so much a hand-out as a level playing field across the piece for them to work on. For example, we have introduced a more generous small business rate relief scheme with effect from October, which will be a benefit to many pubs. We are also considering proposals to give councils power to levy discretionary business rate discounts, which could be used to support particular types of business or activity, and of course a pub could qualify under those circumstances.

Members will know, too, that we are committed to a comprehensive local government resource review of the whole picture of business rates. That will move quickly, starting in January and finishing in June next year. In a short period, there will be the localism Bill, that resource review and the consultation on the national planning framework.

The matter of the restrictive covenants placed on pubs was raised. I know that it is important, and it is also important to local authorities. In fact, three local authorities—Newcastle, Ryedale and Darlington—have requested Government action on the matter under the Sustainable Communities Act 2007. I am sure that hon. Members are aware that the Office of Fair Trading recently ruled that there was no competition issue in respect of covenants. However, it also made it clear that their use

"has the potential to harm consumers".

It is, therefore, an issue that is worthy of greater investigation, and the Government will make a formal announcement on how we intend to do that along with our other 2007 Act responses later this month.

I am with the hon. Member for Birmingham, Erdington on the smoking ban. I know that some hon. Members have misgivings about it, but the fact is, as my hon. Friend the Member for Staffordshire Moorlands rightly said, that this is not a debate that will focus on the most important priorities for public health. I respect the views of those concerned, but I think that there are other ways to make progress more swiftly and constructively. That is why we are working on things such as sustainable financing, the big society, and using funds in dormant bank accounts to support social enterprises. There was a reference to the Protection of Local Services (Planning) Bill, which is the private Member's Bill promoted by my hon. Friend the Member for Selby and Ainsty (Nigel Adams). I have met him once already, and my officials will be meeting him again shortly. I understand what his Bill seeks to do, but, like my hon. Friend the Member for Suffolk Coastal (Dr Coffey), I think that the question is whether its underpinning objective of preventing unwanted demolitions and loss of buildings necessarily requires primary legislation. I therefore would like to look at the context of our broader planning reforms to see whether we can achieve a proportionate response, given that any planning legislation has impacts on proprietary rights which must be balanced in the equation. I believe that that would be the right vehicle to deal with that matter.

Other Departments are engaged as well. The Government are committed to introducing proposals to implement the ban on sales of alcohol at below cost. As hon. Members have observed, one of the keys is finding a workable measure by which we can capture that concept. We are working at present with retailers and other interested bodies, and we hope to make a formal announcement on the issue shortly.

The Treasury's review of alcohol taxation, which aims to balance the need to tackle problem drinking without unfairly penalising the majority who are responsible drinkers, or ignoring the economic and social importance of pubs, is under way. In consequence, from autumn 2011, the Government intend to introduce a new additional duty on beers over 7.5%—the ones that can be more of a problem—but at the same time to reduce duty on beers at or below 2.8%.

Hon. Members will have seen the Home Office response to the consultation on rebalancing the Licensing Act 2003. We want people to enjoy a drink without that becoming the driver of the crime that many town centres, including my own in Bromley in the past, have seen when people abuse the enjoyment of alcohol. We must get the balance right.

The Department of Health recently published its White Paper, "Healthy Lives, Healthy People: Our strategy for public health in England", which sets out a bold vision to make wellness central to all that we do. Clearly, I must read it at some point, if only from personal interest, as I have decided to lose some weight over Christmas.

This debate involves a raft of issues. I see on the monitor that the Division bell is ringing, although we cannot hear it. I will happily write to hon. Members to pick up further points. I hope that they can see from what I have said that there is a clear element of work being done. On the beer tie, we will follow the advice of the Business, Innovation and Skills Committee, and review the position in June 2011. If a voluntary framework is not in place and workable, we will consider revisiting the issue.

Question put and agreed to.

5.25 pm

Sitting adjourned.

Westminster Hall

Tuesday 14 December 2010

[MRS LINDA RIORDAN *in the Chair*]

Legal aid

Motion made, and Question proposed, That the sitting be now adjourned.—*(Angela Watkinson.)*

9.30 am

Ms Karen Buck (Westminster North) (Lab): I am delighted to have secured this important debate so soon after the publication of the legal aid Green Paper. It is a mark of how significant such issues are that there is a good attendance in the Gallery and that a number of Members of Parliament are present hoping to make a contribution.

Members of Parliament have a particular interest in legal aid, particularly in the broader context of advice services, because we are part of the family of advisers. That was brought home to me during my first week as an MP when, at my very first surgery, a gentleman asked me for assistance in having his wife deported. I was not able to refer that case to a partner legal aid firm.

Over the course of 13 years, I have made extensive use of, and am enormously grateful to, private firms, law centres and other advice centres in my constituency and elsewhere, and I will pay tribute to them by name. Paddington law centre is an excellent local facility that has assisted thousands of people in the community. The London borough of Westminster is often used as a byword for prosperity and the great institutions of central London, but in fact it includes a number of the most deprived wards in the country. Westminster citizens advice bureau is another superb organisation and I had the pleasure of attending its annual meeting a couple of weeks ago. Other organisations include the North Kensington law centre, the migrants resource centre, the Mary Ward centre—that is not in my constituency, but it is an important local organisation—Just for Kids Law, to which I will refer in a moment, and many private practices, as well as the Central London law centre and the Brent private tenants rights group, which is just over the border and provides an important service to tenants.

Those professionals in the sector provide, for the most part, a service to many of the most vulnerable and distressed people in society, and they do so for what is a challenging level of remuneration in a professional context. We hear—sometimes rightly—about the eye-watering sums of money paid in legal aid in some criminal cases. I understand that such cases cause public concern, but as in so many areas of public policy, we are being driven by policy making by anecdote. We need to address extreme examples and issues, but, overwhelmingly, legal aid practitioners are not well remunerated and they do an excellent job at astoundingly good value to the public purse.

Mr David Lammy (Tottenham) (Lab): My hon. Friend says that those professionals are not well remunerated. Does she agree that they are not even as well remunerated as many of the senior police officers and teachers in our constituencies? Their average income is between £28,000 and £40,000 in London.

Ms Buck: My right hon. Friend makes a good point. It is true that legal aid practitioners who take on institutions in the public sector, and sometimes the private sector, are significantly less well paid than those professionals who make the public policy decisions that they challenge.

It is important to put on the record the fact that the previous Labour Government took decisions that bore down on legal aid expenditure. Not everyone will have agreed with those decisions—they may have challenged them—but there was a healthy debate. It must also be accepted that had Labour been re-elected, there would have been cuts in the legal aid budget. It is not the case, however, that the unfolding policy of the Labour party would have placed the pressure, which we now see emerging, on civil, family and social welfare law. Those are the areas of concern that I want to address.

It is critical to protect criminal legal aid. If it is not available at the right level and provided by quality professionals, justice will be denied. It is very important to protect a proper criminal legal aid budget. I pay tribute to Lord Bach, the former Minister with responsibility for legal aid, who looked at ways in which to bear down on exceptional costs in the criminal legal aid budget without sacrificing the principles of access to justice. I think there was consensus on that.

My concerns are about the manner in which the legal aid Green Paper attacks—and it is an attack—the legal aid budget. It bears down particularly severely on civil cases, including family and social welfare, and takes a number of areas out of the scope of aid entirely. Such areas include children and family cases in which domestic violence is not a stated factor, education, immigration where a person is not detained, clinical negligence, welfare benefits, employment, debt and some areas of housing. As a consequence, more than 500,000 people each year are less likely to receive help. Not only will that have an effect on those people unable to access legal aid services, but it will destabilise and possibly destroy such services in many areas and make it extremely hard for public services to be held to account when they are at fault.

Chris Leslie (Nottingham East) (Lab/Co-op): My hon. Friend makes her case powerfully. The cuts are atrociously harsh on civil cases. Nottingham law centre in my constituency says that last year it helped 1,300 people avoid housing repossession. I am exceptionally worried about the impact on homelessness and the potential for people to lose their homes. This is important stuff.

Ms Buck: I am grateful to my hon. Friend for raising that point and I will return in a moment to the issue of housing and homelessness.

Funding for judicial review is retained within the legal aid Green Paper. However, in many cases it is not based upon the legal help that allows for an effective judicial review. I have been told that retaining judicial review but withdrawing so much legal aid is as useful as having a flight of stairs between the first and second floors of a building when there is nothing between the ground floor and the first. Judicial review emerges from a wider pool of cases and there will be inadequate tests of the law if legal aid is withdrawn.

[Ms Buck]

As we know from the Green Paper, eligibility for legal aid is to be further reduced. Over recent years—this is already a trend—the proportion of the population eligible for legal aid on a sliding scale of contributions has fallen from about half of the population to about a third. The Green Paper further lowers the level at which people are asked to contribute from their assets, and increases the percentage level of contributions from earnings. Moreover, for the first time, those on social security benefits should, it is suggested, be subject to a full asset test. Will the Minister write to me and state whether the Department has calculated the cost of such an exercise? Taken together, all those measures prompt the question of whether even those who are potentially entitled to legal aid can afford to take up that entitlement, and what that will mean for access to justice.

Members of the public are being asked to insure themselves to cover future legal aid cases. However, since those who lose out are, overwhelmingly, low-income households, it is extremely unlikely that they will be able to find money for a hypothetical eventuality, rather than for the daily struggle to house, heat and feed themselves. There is nothing wrong with taking out insurance in principle—it should be encouraged—but is it realistic to ask low-income groups to insure against eventualities that are simply not as foreseeable as those risks that lead people to insure their homes and cars?

The loss of legal aid will mean that most, if not all, of the 500,000 people affected will lose access to advice and representation. That figure will include many of the most vulnerable categories of people. The legal aid consultation itself acknowledges that in respect of issues such as debt, welfare benefits and education, people with disabilities are likely to be disproportionately affected. For example, 63% of legally aided clients in the sphere of welfare benefits assistance are disabled.

The excellent briefing produced for this debate by the National Association of Citizens Advice Bureaux states that

"alternative sources of advice are simply not available, suitable or accessible for the overwhelming majority of our client group"

and

"the voluntary sector and pro bono does not have the capacity to fulfil the need currently met by Legal Aid in terms of the volume of people or the specialism required for more complex cases."

Will the Minister say, either now or later, whether the Department has carried out a full capacity assessment to assure us that voluntary and pro bono facilities are available to fill the gap that will be created by the proposals in the Green Paper?

Kate Green (Stretford and Urmston) (Lab): In the context of my hon. Friend's remarks about the impact of the proposals, does she agree that yet again we are seeing a disproportionate impact on women, especially, of course, in relation to family cases?

Ms Buck: That is absolutely right, and I will deal with family law in a moment.

Dr Julian Lewis (New Forest East) (Con): I do believe that the legal aid budget in this country is huge in comparison with those in other European countries, but I have had representations from the New Forest citizens advice bureau to say that it has two part-time caseworkers and it is wondering where its most vulnerable clients will go if that service is cut back in parallel with cutbacks in legal aid.

Ms Buck: I am very grateful to the hon. Gentleman for raising that point; it will be one of the issues that I address. There is an argument in addition to the argument about how much we fund legal aid by. There is consensus that the budget cannot expand indefinitely, but there are still issues about the speed at which and the manner in which legal aid funding is withdrawn and the impact that that could have on providers.

I think that value for money was also at the heart of the hon. Gentleman's remarks. Is it not the case that expenditure on legal aid and advice services does provide value for money, because it ensures that public services and others operate effectively and well, that errors are corrected and that public law is constantly challenged? It also helps people to redress wrongs and ensures that the take-up of benefits and other services is done properly.

The National Association of Citizens Advice Bureaux, among other organisations, convincingly argues that there is a very poor business case for what the Government propose. Taking so much social welfare out of the scope of legal aid will undermine value for money. It is argued that between £2 and £10 is saved for every pound invested in the legal aid budget. An analysis based on data from the civil and social justice survey and on Legal Services Commission outcomes data estimates a saving of £2 for every £1 spent in relation to housing, £3 for every £1 spent on debt advice, £8.80 for every £1 spent on benefits advice and £7 for every £1 spent in relation to employment. That is besides the benefit to the individual; 80% of social welfare legal aid cases record positive outcomes for the clients.

It is impossible in a limited time—I want other hon. Members to have an opportunity to contribute to the debate—to pay proper attention to every area of civil law affected by the proposals, so I shall make just a few remarks on the areas that cause me greatest concern.

In relation to family law, no one disputes the value of mediation or the fact that in cases that go to court, the court action can have an extremely damaging impact on the families. However, relying on mediation is not always an option. It is not always the case that both partners are prepared to go to mediation. Also, it implies that there is a willingness to compromise and that the compromise should be somewhere around the middle of the argument about child welfare, maintenance or whatever. That ignores the fact that in many instances, one partner or the other has behaved excessively badly or is making unrealistic demands; indeed, it encourages them to make such demands.

Good and powerful cases have been raised by the Legal Aid Practitioners Group, and I shall read the details of two into the record as examples. One case study states:

"I am advising a client who is seeking contact with his children. The children's mother has remarried and has a new child with her husband. She seeks to marginalize our client from the children's lives, has denied contact, refuses to engage in mediation and has moved to a secret address. The case requires a preliminary application to ascertain the children's whereabouts and once identified an application for contact. Clearly mediation is impossible and without early advice the client will have absolutely no idea how to re-establish

contact with his children. His options would be to try to find them through any means available to him which would not be helpful or to give up which would deny the children the right to have a relationship with their father. With early advice, the application for disclosure would be made by solicitors and once the children's whereabouts were identified a tactical attempt to negotiate and encourage mediation…would take place. This particular client has some learning difficulties and to navigate the court system as a litigant in person would almost certainly be impossible and any attempts made would be hugely time consuming."

The other case study states:

"I am advising a client. He has 4 children and has shared residence for all those and is very active in their lives. We have helped him in the past with residence issues with the benefit of legal aid…He is now facing an application by one of the Mothers to take his 14 year old daughter to New Zealand where the Mother has a 2 year work contract. If this is allowed, from seeing his daughter half the week he will be lucky to see her in the holidays and will not be able to afford air fares…In future this client will have to deal with this on his own. This will lead to him probably giving up on fighting the application."

Even in cases in which domestic violence is not an issue, without legal aid there are real dangers that individuals, particularly those who have difficulty in being sufficiently articulate or confident to navigate the courts system, will lose access to their children.

Margot James (Stourbridge) (Con): The hon. Lady is making a very powerful case, but given that she has said that civil, family and social law are bearing the brunt of the proposed cuts, I wonder whether she will comment—or the shadow Minister, the hon. Member for Hammersmith (Mr Slaughter), will comment later—on where her party would have made the cuts had it been re-elected. As she mentioned, cuts would have been made had Labour been re-elected. The cuts proposed are less than 20%. If criminal law is to be protected, where does she or the shadow Minister suggest that the Government make the cuts? The speed and manner of the cuts seem to be the main criticism. We would like to see more detail.

Ms Buck: As I said, the previous Labour Government had already made cuts to the legal aid budget, which were highly controversial. Many hon. Members who are in this Chamber made fierce representations on that point. I have already said that there were areas, particularly very high-cost criminal cases, in which the Government intended to go further. Ministers were also examining ways in which the civil and social welfare budget could be protected within the global legal aid budget, because it was understood that in many cases, savings in that area would lead to a false economy. Therefore I will not be drawn into an argument about equivalence of cuts and into coming out with every figure, because I dispute the basis of what the hon. Lady has said.

One of my greatest concerns is about the proposed cuts in relation to education. The Government's intention is to take education out of the scope of legal aid. Given the often unfulfilled statutory duty on local authorities to ensure that young people receive an education, that is bound to hit the most vulnerable the hardest.

I am indebted to Just for Kids Law, a specialist organisation in my constituency, for the information that it has provided and for its assistance with a number of cases that I have referred to it. Last year, Just for Kids Law took 34 cases, with two thirds having a satisfactory outcome. These are cases of children without a school place and cases in which there are serious disputes in relation to children who have or who require statements of special educational needs. Given that the latest figures for my borough show that we have 364 children without a school place at this point in the school year, the need for representation for parents is extremely clear.

I shall give a couple of examples of cases, from Just for Kids Law's caseload, which would receive no representation in future.

"E…is a highly gifted boy who is on the autistic spectrum. His father was offered a job in New Zealand so the family emigrated and E…started Year 7 there. Regrettably there was no special educational needs provision for him and he was so severely bullied that, by August, his parents had withdrawn him from school and made arrangements for the family to return to the UK. They had kept in regular contact with their local authority, however, when they returned in January 2009, there was no place available...After six weeks at home with his mother he was provided with a Personal Tutor for two hours per week. His behaviour was rapidly deteriorating and he started self harming. He told JfK Law he…wanted to go to school like everyone else and didn't want to end up"—

in a dead-end job. Just For Kids Law made representations to the local authority and, when that was unsuccessful, issued urgent judicial review proceedings. After two mediation meetings with the local authority lawyers, he was eventually offered a place at a specialist autistic centre that integrates into a mainstream school. Without representation at every stage, it is likely that that child would have ended up with no school place and no provision, with catastrophic consequences for him.

The second example states:

"R…was permanently excluded from school in 2006. He has special educational needs and had been receiving specialised support"

for his behavioural problems, which had been successfully managed in reception and year 1, but in year 2 his behaviour worsened. Instead of referring him for an assessment for a statement of special educational needs or asking for the local authority's advice the school permanently excluded him. His mother felt that was because her relationship with the head teacher had broken down. Just For Kids Law advised the mother at the governing body appeal, which she lost.

"JfK Law then appealed to the Independent Appeals Panel…and made representations that it was not lawful to exclude a child because of the breakdown in relationship between a Head Teacher and the mother, the school should have dealt with the problem by way of a "managed move" to another school that could meet his needs….The IAP agreed with JfK Law's representations"

and overturned the permanent exclusion, which is no longer on the child's record. That is a case about a very vulnerable family.

We have referred to housing and homelessness. The Government intend to retain provision in cases of people at risk of imminent homelessness, but, perversely, they are taking debt and other areas of financial advice out of scope. Those issues are almost always the preliminary problems that lead to homelessness.

Mike Weatherley (Hove) (Con): Brighton and Hove is expecting a reduction of 80% in legal aid cases—down to only 280 cases per year. Although we all agree that we should make some cuts, does the hon. Lady agree that we need to monitor that level of reduction carefully?

Ms Buck: I absolutely agree. I am extremely concerned. In other areas of public policy, we are seeing reductions in housing benefit expenditure and entitlement, which are coming in next year. There is, apparently, a rise in homelessness. There are major changes in housing policy, some of which were announced yesterday, which will lead to homeless households being discharged into the private rented sector, with all the associated risks of that. Yet, at the same time, the representation and advice available to people at the most critical stage of their path through the housing system is being removed. I am sure that the consequences of those changes in policy and the reduction in legal aid representation will be catastrophic for highly vulnerable families, many of which include children with disabilities and special needs. I predict that the changes will explode the budgets associated with local authority responsibilities under the Children Act 2004, as many cases will be referred to local authorities. Once again, this is a false economy.

There are many other things that I would like to say, but I will conclude simply by referring back to the argument of the impact of the cuts on providers. Of course, we have to start from the point of view of the client. The client is the most important, not the provider. However, if a client cannot access a provider, if there is an advice desert and no one within 50 or 100 miles or a reasonable distance for people to afford to get to, then justice is denied to that person. If staff contracts are lost, money withdrawn from a law centre, firm or citizens advice bureau on the piecemeal basis indicated in the proposals, and services are removed—the hon. Member for New Forest East (Dr Lewis) gave a good example—at a time when local authorities are facing record cuts in expenditure, many such services will go under. They will collapse in an unplanned way. There will not be a coherent pattern of advice services, because no one has overall control of ensuring that that happens.

Mark Tami (Alyn and Deeside) (Lab): I thank my hon. Friend for giving way and apologise for my late attendance; I had dreadful problems with my computer. I received an e-mail from Flintshire CAB, which is very worried about losing the equivalent of five posts—a total of £170,000. It deals with some of the most vulnerable people in our society, who are often the same people who end up coming to see Members of Parliament. It is worried that the cuts will devastate the area.

Ms Buck: That is absolutely right. I shall now sit down to listen to examples from, possibly, both sides of the Chamber. I urge the Minister to ask his colleagues to think again about how the changes are being implemented. The dangers are that they will lead to advice deserts and reduced access to justice for many cases—500,000—involving the most vulnerable people. They will lead to the perverse consequence of greater expenditure in many other areas of public services and, because the providers will not be held to account efficiently by lawyers, worse public services. I hope that the Minister will hear not only what I have to say but what other Members have to say, and go back to the Department to ask for an urgent review of the Government's proposals.

9.57 am

Stephen Lloyd (Eastbourne) (LD): I understand and appreciate that there is some merit in the Government's decision to simplify legal aid and that the costs in recent years have spiralled and become unsustainable, particularly at a time like this. Considering what the hon. Member for Westminster North (Ms Buck) has said, however, I feel that the decision has not really been fully thought through. The impact to local legal services could be devastating. In my constituency, the changes will mean that only two legal firms can continue to provide vital, high-quality family law legal aid services—previously, it was nine. Those two firms will now be taking on the work that nine firms undertook formerly, so the effectiveness and speed with which sensitive family issues are dealt with will be compromised.

We will also lose expertise in what, from my perspective, is one of the most challenging areas of law—that which deals with divorce and child custody. From a legal aid perspective, people from disadvantaged backgrounds will be hardest hit, which will be a challenge in Eastbourne.

I recently met a constituent who was unable to find legal representation in Eastbourne, because, of the two remaining firms that would have been able to offer legal aid, one was representing her ex-husband and the other her son. Due to a possible conflict of interest, she had to look elsewhere, to either Rye or Brighton, which is a round trip in excess of 50 miles. That does not sound very far, but the constituent, whom I know quite well, is disabled and unable to travel by public transport. She would have had to travel by taxi; I do not need to tell anyone here that a taxi fare is not an easily affordable luxury for someone in receipt of disability living allowance.

As well as the threat to legal service provision in my constituency, I am profoundly concerned that the proposals include the removal of funding for large areas of specialist social welfare-related help and guidance. That is often delivered by local community-based charities, such as BHT Eastbourne Advice and the Eastbourne citizens advice bureau in my constituency. They complement that specialist help and guidance with a more general advice service provided by volunteers. There are such crucial service providers in every constituency. In Eastbourne, those charities risk losing in the region of £230,000 to £250,000 per annum of legal aid funding.

Mr Wayne David (Caerphilly) (Lab): I hear the hon. Gentleman's sympathetic comments, but what would he say to my constituents in the Bargoed area of the Rhymney valley, 375 of whom claim legal aid for welfare benefit issues and 450 of whom stand to lose access to legal aid for debt issues?

Stephen Lloyd: I thank the hon. Gentleman for that intervention. Although the overall legal aid budget has spiralled out of control, I have real concerns about the Government's proposals—they are based on the previous Government's proposals, which is one of the ironies—for changing legal aid. I do have concerns, which I why I am here this morning.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The hon. Gentleman is making a powerful case, and I agree with some of his points, but does he acknowledge that the previous Government reduced the cost of civil legal aid by 24% over 10 years? We have to disaggregate the civil and criminal cases and concentrate on where the Government's cuts are having an effect—on the most vulnerable in our society.

Stephen Lloyd: I thank the hon. Lady for that intervention. That is a fair comment, and I certainly will not dispute the facts of what she says.

I was talking about the upwards of £250,000 that the two charities in Eastbourne stand to lose. They use that funding to support more than 1,500 of the town's most vulnerable residents with complex debt, benefit and housing problems, many of which have been alluded to. I and many others believe that the social welfare help that the Government plan to reduce is very much preventive and enabling; it is focused not on generating unnecessary litigation, but on preventing crises by solving complex problems at an early stage.

Kate Green: Does the hon. Gentleman not also accept that people face clusters of problems? Even if people can still access some legal help, removing some categories of legal help altogether will inevitably mean that there will be areas of difficulty where people can no longer get the help that they need.

Stephen Lloyd: That is a fair point, and I look forward to hearing exactly how the Minister will respond.

I recognise that these are difficult economic times and that the Ministry of Justice faces incredibly difficult budgetary decisions. However, I am concerned that without a clear alternative for resourcing and supporting preventive advice in particular, the proposals will increase the demands not only on the crisis-related legal advice services that remain, but on other public services.

As I indicated, legal aid cuts have a particular impact on housing. Over the past few years, legal aid has funded BHT Eastbourne Advice's handling of 800 to 900 specialist housing cases per year. That was reduced to 530 cases per year for the most recent three-year forward contract, which commenced on 15 November.

It is estimated that the current proposals could reduce housing advice capacity by 20%, which will have a very detrimental impact on advice provision in my constituency and many other towns, at a time when such advice will be in high demand following the implementation of the housing benefit reforms. I agree that those reforms are necessary, but they will have a knock-on effect.

Advice is effective in preventing homelessness, especially if it is given early. The proposals to limit legal aid to those in imminent threat of repossession flies in the face of all the evidence that early intervention and prevention create long-term savings, as well as averting hardship for constituents.

I urge the Minister to revisit this issue to see whether the remaining funds can be targeted differently to ensure that legal aid—particularly for civil and family law cases—is more extensively protected.

10.4 am

Jeremy Corbyn (Islington North) (Lab): It is a pleasure to be under your chairpersonship, Mrs Riordan. I congratulate my hon. Friend the Member for Westminster North (Ms Buck) on securing the debate.

When legal aid was first introduced in 1949, the late Arthur Skeffington said that the law at that time was like the Ritz, in that those who could afford to pay had access to it, while those who could not did not. Legal aid was introduced, and it is fundamental to giving everybody in this country access to justice.

When the Green Paper came out, paragraph 1.2 of the summary said:

"The Government strongly believes that access to justice is a hallmark of a civil society".

which is great. The problem is the rest of the Green Paper; it starts well, but it is all downhill after that. We need to examine a number of issues relating to the Green Paper.

The background has to be that cuts were already being made in legal aid, and many of us in the Chamber who were in the previous Parliament were very concerned about that. Indeed, we raised those concerns consistently with Ministers, because the cuts were leaving the most marginalised, vulnerable people with no redress whatever through the legal system. That deeply concerns me.

The cuts have been accompanied by a series of ill-informed, unfair media attacks on the entire legal profession and the legal aid system, which have been led by the *Daily Mail*, the *Daily Express* and the *Evening Standard*. Those newspapers routinely print isolated and outrageous figures about payments to some barristers, while at no time looking at the reality of the number of legal aid firms that are paid so little that they can no longer afford to represent anybody and have gone out of business. In inner-urban areas such as the one that I represent, which is the eighth poorest part of the whole country, many people simply cannot get any representation whatever, because there is no legal aid lawyer to deal with them.

Let me quote from a letter dated 1 October 2010—many colleagues will have seen something similar at various times. It says:

"URGENT INFORMATION

CLOSURE OF

SHEIKH & CO SOLICITORS

Non practising as of Midnight on 30th September 2010"

It continues:

"We were unable to secure viable indemnity insurance despite our best efforts particularly in view of uncertainty surrounding the legal aid contracts and so it means Sheikh & Co cannot provide legal services any more."

This was a busy local practice dealing with a whole range of issues, including housing, immigration and family and education matters, and its closure left thousands of people with no representation. Their files will be passed on through the appropriate body to another solicitor, but that solicitor may go under, and the files will then move on to somebody else and somebody else again. Along the way, they will be lost, which means that very poor and vulnerable people will be left without any representation whatever.

I am proud to represent my constituency in Parliament. I am also proud of Islington law centre, which does fantastic work. When I visited it a couple of weeks ago, the director told me that a

"10% cut across the board is being proposed"

in its Legal Services Commission contract funding and that

"we have been cut hard in both housing and employment, where, although we were ranked first in terms of our tender score, we have been given a much smaller contract from mid-November than we had previously".

The director added that that will mean

[Jeremy Corbyn]

"250 less employment clients per annum that we can help, and 185 less housing clients. I expect the total cut next year to be around £130,000."

which is more than two full-time equivalent caseworkers. That is a busy law centre, which is doing its best. Such events could be replicated all over the country at hard-working law centres.

When the Minister replies, I hope that he will recognise the value of law centres and the need to give them support and funding.

Stephen Timms (East Ham) (Lab) *rose—*

Jeremy Corbyn: I also hope that he will recognise that, without law centres and legal aid practices at solicitors, many of our most vulnerable constituents will simply go without any access to justice whatever.

Several hon. Members *rose—*

Mrs Linda Riordan (in the Chair): Order. I intend to start the winding-up speeches at 10.40 am, and at least six other Members want to speak. If they can keep their remarks brief, I will get everybody in. I call Robert Buckland.

Jeremy Corbyn: Actually, Mrs Riordan, I was giving way to my right hon. Friend the Member for East Ham (Stephen Timms). I was not concluding my contribution. If you want me to conclude, I suppose I must, but I would be grateful if you gave me just a bit more time.

Stephen Timms: I am grateful to my hon. Friend and to you, Mrs Riordan.

I wanted to pick up my hon. Friend's point about advice services. I wonder whether it struck him, as it struck me, that the Green Paper suggests that costly legal advice can be substituted with much less costly voluntary advice services. The problem is—and the author of the Green Paper does not seem to realise it—that most such voluntary services are themselves funded by legal aid, and that that funding will go if the proposals are implemented.

Jeremy Corbyn: My hon. Friend makes a powerful point, which is true. Legal aid funding goes through law centres, Citizens Advice and all kinds of other advice agencies, which will be cut. In any event, none of the advice services' funding is ring-fenced in local authority terms. I have done a head-count audit of my borough, and there is probably less one-to-one advice available than there was 25 years ago. I suspect that colleagues could tell similar stories. We need fair access to justice.

The Law Society briefing for the debate is very good. It notes:

"The cuts in scope and eligibility for civil legal aid will mean that many fewer people will be able to bring cases to court".

It continues by pointing out that

"solicitors will either find other areas of work or 'cherry pick' cases".

We have many brilliant law students in this country—many brilliant young people who want to go into law and do their very best. They often end up, whether they want to or not, doing property and commercial law, because that is where the money can be made and where they can get work. They do not do legal aid because there is not enough money around to do it with. There are not enough companies doing legal aid work. So we have amazing levels of representation for well-off people, in commercial or corporate cases, but we do not have the same availability for criminal, housing, immigration or family cases.

There is a lot that I could say, but I take your earlier hint, Mrs Riordan—you do not want me to go on too long. It was very subtly put, if I may say so. I have two quick points that I want to make. The idea of separating family law cases so that legal aid will be given if violence is involved, but not if there is no violence, is utterly absurd. I am sure that we have all seen how families can implode under many pressures. The degeneration of a relationship into a battle and a court case can get very nasty. Mediation does not always work—of course we all want it to, but it does not always. That can degenerate into violence. If sensible, effective legal advice is available at a much earlier stage, much of that degeneration into something far worse can be prevented.

I am pleased that the Green Paper specifically excludes any cut in representation for asylum cases. I welcome that and pay tribute to the Minister for it. Those who face deportation in asylum cases, possibly with the prospect of death or torture on their return to where they have come from, deserve legal aid. I absolutely defend that, and I am sure—or at least hope—that every hon. Member in the Chamber would too.

However, in immigration cases, which are often very complicated, legal aid is limited; it is available for dealing with detention, but not for the case itself. A family who are put in detention—quite wrongly, in my view, if children are involved—can get legal aid to try to get out of detention, but not to deal with the burden of the case. That seems a non sequitur: either we support immigration cases or we do not. I hope that the Minister will recognise that the injustices surrounding that state of affairs, in particular with regard to applications under articles 6 and 8 of the European convention on human rights, are very important and that such cases deserve legal aid.

The late Sir Henry Hodge, who was a judge at the immigration appeal tribunal, constantly made references to the Legal Services Commission wanting sufficient resources to make representation available. An immigration appeal where there is no representation for the applicant, but there is representation for the Home Office, is unbelievably, blatantly and obviously unfair. It is not a credible way of doing things.

I urge the Minister to think again, seriously, about those aspects of the matter, and to remember the principle of access to justice for all. That will not be possible if the cuts go through.

10.14 am

Mr Robert Buckland (South Swindon) (Con): I am grateful to the hon. Member for Islington North (Jeremy Corbyn) for truncating his remarks. I shall follow his example and be as brief as I can. I should declare an interest: I was a criminal legal aid barrister for nearly 20 years, and am still in receipt of some payments for work done before the election. However, my remarks today are centred on what other hon. Members have

discussed in the context of the reduction of the ambit of civil legal aid: community legal service funding for work by a number of providers, including law centres. In Swindon, the Wiltshire law centre does excellent work and provides advice for people with debt, housing and welfare benefit problems. I shall not repeat the points that other hon. Members have made. They are right about the important saving that can be made by giving early advice and help to people on welfare benefits. My remarks are focused on the detail of the helpful table towards the back of the Green Paper.

I want to preface my remarks about the Green Paper by saying that I hope it will be the last such consultation for a considerable time. The Lord Chancellor was right to note with some despair that there have been more than 30 consultations about legal aid since 2006. It led to practitioners, including me, getting our heads in a spin, when it seemed that almost month by month the previous Government—or the Legal Services Commission, to be more precise, because that was of course an arm's length body, though it is now to come back into the Ministry of Justice—issued consultations on legal aid. We do not want permanent revolution. That has caused providers a lot of problems, and has led to some of the uncertainty about sources of work that the hon. Member for Islington North raised. The table at the back of the Green Paper is helpful, but in some cases it is unclear. I hope that the Government will take on board what is said today, and the written evidence that will be submitted by 14 February.

I want first to discuss family legal aid and what is called the domestic violence test. There is no unified definition of what is meant by "domestic violence". Some might say that they know it when they see it, but questions arise about what the term means. Does it just mean physical violence where there is injury? I submit that that would be far too narrow a test. Does it just involve violence between spouses or partners, or does it include violence against children of the family, or in their presence? All those questions need to be answered. I have dealt with domestic violence cases for many years, and they take many forms. It is not just a question of physical violence. Often there is a course of conduct involving a mental process and psychological damage to a partner. I should like clarity about the meaning of the term "domestic violence" by the time the White Paper is issued.

To deal briefly with education, I noted with concern the suggestion that all education cases would be taken out of scope. We must not ignore the fact that soon the Department for Education will produce its own Green Paper on special educational needs. I know that Ministers intend to look carefully at reform of the current system of tribunals, and the adversarial system that is so often a barrier to parents and children with special educational needs. That is welcome news, and I hope that the Green Paper will contain a commitment to radical reform of the system, so that parents do not feel they must always fight for their children's rights with respect to special educational needs. However, if that is not what happens, and the Government do not intend to reform the system for SEN provision, legal representation should not be taken out of scope—particularly at the upper tier tribunal level, where there is a lot of law and there are a lot of lawyers; that is a daunting prospect for any parent of a child with SEN.

The matter of clinical negligence in this context is often overlooked. There will be some cases of great complexity, such as where several different causes have led to the condition of the litigant—who will often be very vulnerable and ill, even at the time of litigation. That requires a large amount of work and costly medical expert evidence. It would be a brave set of solicitors that took on cases of such complexity on a no win, no fee basis. I ask that at the margins that aspect of the Green Paper be looked at carefully.

I end on this note: a lot has been said about legal help and representation for debt matters where someone's home is at immediate risk. I simply ask, what does that mean? Does it mean immediate risk when possession proceedings have been commenced? Does it mean immediate risk at an earlier stage, when perhaps the householder has had a set of letters relating to unpaid debt and is, therefore, greatly concerned? There are a lot of words used, but frankly not carefully enough. I accept that this is Green Paper stage, but I ask for much more clarity when it comes to assessing the precise ambit of scope. As a former member of a funding review committee for the Legal Services Commission, I can say that these criteria are applied very carefully indeed. They have to be right.

Often for a practitioner, such as those who work in the Wiltshire law centre, a case will present itself, which at first blush will appear to be one type of problem, but will transmogrify into another, or a whole different range of problems. Therefore, questions of scope are not just academic; they are very important for solicitors and practitioners when assessing whether cases will come within or without the scope of legal aid. I urge the Minister to take on board hon. Members' comments today, and to ask his colleagues to look carefully at the ambit of these proposals and to refine them in a way that helps not only litigators and solicitors, but, most important, those in greatest need.

10.21 am

Emma Reynolds (Wolverhampton North East) (Lab): I congratulate my hon. Friend the Member for Westminster North (Ms Buck) on securing this important debate. The changes and cuts proposed in the Government's legal aid Green Paper are of great concern across the country, as we have heard this morning, but in particular in areas such as Wolverhampton, where there are high levels of deprivation. The only recourse to justice for people who are deprived and vulnerable is through the legal aid budget.

I would like to make two brief points. First, the legal aid system was instigated by the post-war Labour Government at a time of national deficit, and hot on the heels of setting up the NHS. The legal aid system has become a pillar of the welfare state. If these Green Paper proposals go forward, that pillar will be put at risk. We should not forget that before 1949 the only people able to access justice in our country were those who could afford it. I do not want to go back to that.

Secondly, I want to put on record my tremendous respect for the professionalism and work of citizens advice bureaux up and down the country, but in particular in Wolverhampton. Wolverhampton CAB deals with 14,000 inquiries every year, which is astonishing. Of those, 1,700 are legal aid inquiries. It is widely recognised

[Emma Reynolds]

by others in the region that Wolverhampton CAB is a beacon of best practice. Last year, it won the outstanding black country business of the year award, voted for by the black country chamber of commerce, for doubling its work load with the same resources.

Geraint Davies (Swansea West) (Lab/Co-op): As in Wolverhampton, in Swansea the CAB does a marvellous job. Its contract for legal aid for debt and welfare was terminated on 14 November and since then no one has had that contract. There has been a signal that it might get it again. Is it not appalling that there should be a hole in the budget flow, a change of provider and great uncertainty among very vulnerable groups? Does my hon. Friend share my concern about financial provision and continuity for the future for the CAB?

Emma Reynolds: I could not have put it better myself. There are great concerns in the CAB in Wolverhampton. It is facing a cut not only in legal aid, but in the financial inclusion fund, to which I will refer briefly later.

I want to come on to the issue of the day. I know a lot of hon. Members are concerned about the cost of the legal aid budget. Let us not forget that the starting point for our debate today, as recognised in the Government's Green Paper, is that half a million people in our country get help from the legal aid budget. That is a sign of a civilised country; it is something to be proud of, not to be attacked or ashamed of. Although we obviously have to look at the costs, I remind colleagues of my earlier point: the previous Government were looking at these issues. In the past 10 years, there was a reduction in real terms in civil legal aid of 24%. Capping the fees paid to solicitors and barristers was also being considered, as well as getting better value for money for the taxpayer by looking at how contracts were awarded and seeking economies of scale. That sort of rationalisation is a far cry from removing wholesale entire categories of legal aid from the budget. For example, family law, which other hon. Members have mentioned, welfare benefits, debt, housing and education.

I want to refer specifically to withdrawing legal aid in cases of welfare benefits. Around 80% of the social welfare legal aid cases dealt with by the CAB record positive outcomes for the individual involved. That goes to show that there are issues there. When the Government are bringing forward deep and far-reaching welfare reforms—I do not believe that they should—it is precisely the wrong time to be taking this area completely out of the scope of legal aid.

Kate Green: Does my hon. Friend agree that the poor quality of decision making in the social security system also creates an increased need for legal aid? We all naturally hope that that level of decision making can be improved, and I hope that the Government will give that attention. In the meantime, it is important for people to have that protection, particularly when we look at the high rate of successful appeals against decisions on employment and support allowance.

Emma Reynolds: I could not agree more. Members of all parties know that such examples come up time and again in their surgeries. The other day someone came to my surgery who had been overpaid benefits and now has a massive sum to pay back, though the matter was not their fault. The state has responsibility to such people.

Lilian Greenwood (Nottingham South) (Lab): Is my hon. Friend as shocked as I was to hear from Nottingham law centre that 42% of the clients' problems it helps to solve are caused by administrative or procedural errors by Departments or local authorities? Does she share my concern that many of those constituents who had help have poor levels of education and that some struggle with literacy? Without assistance from a law centre, they will not be able to resolve those problems.

Emma Reynolds: I could not agree more with my hon. Friend. That goes to the heart of the argument. These cuts will affect the most vulnerable in our society; yet another example of Government cuts hitting the poorest hardest.

I want to refer to taking debt out of the legal aid budget. The Government have recognised in the Green Paper that many of the people who are mired in debt are ill or disabled, and that debt often afflicts the most vulnerable in society. Yet they are still proceeding to introduce proposals and measures that will deny those people access to legal advice and representation.

I will briefly mention something I raised in the House last week. I asked the Leader of the House what was going to happen to the financial inclusion fund, which is a great source of help for people with debt problems. In Wolverhampton, hundreds of people are helped every year by this fund. I was given wise counsel by the Leader of the House that I should raise the issue this morning. He was sure that the Minister would give me an answer. I know that the matter is being administered by the Department for Business, Innovation and Skills and the Treasury, but I urge the Minister to give clarity on whether the fund is to go ahead beyond March. Again, the uncertainty that my hon. Friends have raised applies and it is not helpful.

I do not wish to be too long because I know that other colleagues want to get in. I want to add that, apart from failing the test of social justice, these proposals also fail on a cost-benefit analysis.

My hon. Friend the Member for Westminster North eloquently explained that the cuts will be a false economy in many areas. The National Association of Citizens Advice Bureaux published a business case for legal aid this year. It said that for every pound of legal aid spent on housing advice, the state saves £2.34, and for every pound spent on debt advice, the state saves £2.98. It also stated that on welfare benefit advice, the state saves £8.80, and that on employment advice, it could save £7.13.

Have the Government looked properly at the savings that early intervention makes possible? Have they done a proper cost-benefit analysis of the costs of their proposals for public services down the line? I fear that this is short-sighted, and that the Government are seeking short-term savings that will have significant costs later. Other Members have made the same point.

The other thing that worries me is that the Government say in the Green Paper that other alternatives will be available. The document then outlines what those alternatives might be. I know that my hon. Friend the

Member for Westminster North has already mentioned this, but it is telling: NACAB says that the overwhelming majority of its client group will not be able to access the alternatives identified in the Green Paper.

Yvonne Fovargue (Makerfield) (Lab): Does my hon. Friend agree that although one alternative, the expansion of telephone advice, is welcome—I agree that not enough telephone information available—it is not suitable for the most vulnerable, particularly those in debt, as many who use mobile phones cut themselves off in order to save money?

Emma Reynolds: I could not agree more. There is no substitute for face-to-face counselling and advice. As my hon. Friend rightly states, the cuts mean that the only recourse for vulnerable people will be some sort of telephone system, but they may not be comfortable with it and might not be able to afford it.

The proposals in the Green Paper will make the poor poorer and the most vulnerable more vulnerable. The cuts should fall elsewhere. There are other ways to reform the legal aid budget, and the Government should think again.

10.32 am

Mr David Lammy (Tottenham) (Lab): I thank my hon. Friend the Member for Westminster North (Ms Buck) for initiating this incredibly important debate, which cuts to the heart of the kind of society that we want to live in. It is important for the House to record that we do not want to go back to the time when this work was being done by volunteers. We talk about access to justice, but at its heart is social justice and the kind of society that we seek. I believe that we should live in a society where the most vulnerable have access to justice.

I speak as a former Minister with responsibility for legal aid. If we go back to the earlier part of the last decade, before the 30 consultations that we heard of, I was considering fixed fees and new ways of contracting, but that is a long, long way from the Green Paper.

I remind the House of what the Prime Minister said in the run-up to the election about family policies. He said that he wanted to make Britain the most family-friendly country in Europe. Only a few days ago, he said:

> "The seeds of so many problems, as well as success stories, are sown in the early years. Family is where people learn to be good citizens, to take responsibility, to live in harmony with others. Families are the building blocks of a strong, cohesive society."

He cannot make such pronouncements and then run a coach and horses through family life in constituencies throughout the country.

The services that family practitioners provide for vulnerable families facing breakdown and for people having to decide who should have contact and how it is to be arranged, are essential in modern society. If we take that advice away, except in cases of domestic violence, we will see chaos. We will see people presenting at court as litigants in person. When those cases come to the county court, people will not be receiving advice from the court clerks or the judges; they will simply get a form to fill in. They will be on their own. What will happen? Families, but mostly women, will not get that advice. I ask the Minister to think hard about whether that is the sort of family that we want, and whether that is consistent with an undertaking to put families at the centre of British life.

Margot James: Will the right hon. Gentleman give way?

Mr Lammy: I will not give way, as there is so little time.

It cannot be right that people will get a practitioner only if they already have an injunction. Are we really saying that a woman should pitch up to court on her own if she is concerned about her children having contact with her husband, who may be violent? Is it right that she should have to make her way on her own, in such vulnerable contexts, without access to legal advice? Are we really saying that when families are in dispute—perhaps one parent wants to take a child abroad—the parent fighting that decision should have to find access to justice on their own and without sufficient funds?

Are we saying—I ask as the Member of Parliament in whose constituency the baby P case occurred—to the many thousands of families affected by care proceedings that ultimately end in adoption, which changes the legal nature of the child's relationship with its parents, that they cannot have legal aid to fight it or challenge it in court if they are concerned about losing their children? That cannot be right. That is not the kind of society that we want.

The policy is not consistent with the big society. Yesterday we saw the announcement of cuts of up to 40% in local government budgets. That will decimate much of the voluntary sector that the Ministry of Justice says people should rely upon. How can that be part of the big society? What will happen with welfare benefit cuts, given that many of the groups that support the most vulnerable—those with mental health problems, immigrants and those who have been without work for a considerable time—will find support withdrawn at this time of profound change? How can that be right?

In relation to immigration, the Churches consistently remind the state about its responsibility. We have pared back so much on legal advice about immigration and asylum matters that lawyers specialising in this area now help the system; they help constituents provide information to the bureaucracy—to the court system—that is easy to understand, which makes justice quicker. This Green Paper will drive those people underground; it will drive them into ghettos where they cannot be seen or found, as they will not have the right documents. That is the sort of thing that we see in other parts of continental Europe. We do not want that in this country.

The Green Paper is particularly worrying. It is possible to pass it off as unimportant, but we cannot call ourselves a civilised country unless we provide adequate legal aid. The previous Government stabilised legal aid. In that context, I contend that enough is enough. Now is the time to stand up and say what civilised really means. It is certainly not the time to walk alongside hypocrisy by suggesting that we can support families, that we can have a big society, that we can be fair in a civilised democracy and then run a coach and horses through the only access to justice that vulnerable people need.

10.39 am

Mr Andy Slaughter (Hammersmith) (Lab): It is a great pleasure to serve under your chairmanship this morning, Mrs Riordan, and to be opposite the Solicitor-General. It has been a privilege to listen to so many well-informed speakers from both sides. Although it invidious to pick out people, I will do so by saying that my hon. Friend the Member for Islington North (Jeremy Corbyn) and the hon. Member for South Swindon (Mr Buckland) showed their decades of experience in dealing with such matters. I hope that the Minister will listen to them and to other contributions that are made during the consultation process, and realise that mistakes have been made in the proposals to cut legal aid.

I pay tribute, too, to my hon. Friend the Member for Westminster North (Ms Buck), who is standing down as chair of the all-party group on legal aid, for her unrivalled record in pursuing such matters and for securing the debate today. Like her, I will mention my not-for-profit agencies. For the past 20 years, I have had the pleasure of serving on the management committee of Hammersmith and Fulham community law centre, which does a fantastic job. Threshold housing advice and the Shepherds Bush advice centre were also excellent but were closed this year because of the withdrawal of local authority funding. The law centre, too, has lost all its local authority funding and is therefore under threat. I am talking about a pattern that is all too familiar.

The practitioners of legal aid, many of whom are here today, will be among the most astute and trenchant critics of all Governments when it comes to supporting the service. Even they would concede that Labour Governments, over the 60 years since the service was introduced, have—perhaps by taking two steps forward and one step back at times—increased the scope and eligibility of legal aid. Having said that, and, to save the legs of any Members on the Government Benches who want to stand up and read the Whips' briefing about what we would cut, I shall add, "Yes, we were in a period of retrenchment and yes, there would have been cuts."

Guto Bebb (Aberconwy) (Con) *rose—*

Mr Slaughter: I will not give way because there is only a short time left. There would have been cuts under a Labour Government. In some respects, we would have made cuts to private family law, although we should look again at the definition of domestic violence, as the hon. Member for South Swindon said. We would, I think, have taken a much more forensic look at criminal legal aid, which has just been brushed over. However, we would not have made cuts to social welfare legal aid. I pay tribute here to Lord Bach who, over a period of years as Minister, supported, defended and spoke out for social welfare law, and, as a Government, we did a very good job in protecting it and we would have gone on protecting it. Given the short time that we have to debate this subject, I shall devote my remaining comments to that area and follow the lead given by Members speaking today.

The briefing from the citizens advice bureau states that

"proposals to exclude most social welfare law issues from scope will mean over half a million fewer people getting help every year".

That is the first statistic. What types of people are we talking about? Many examples of them have been cited this morning, including parents going to special educational needs tribunals; tenants facing problems of harassment or disrepair; disabled people whose welfare benefits have been cut; and people who have been unfairly dismissed. In the vision section—I am sure that no irony was intended—of the business plan for the Department, it says the aim of the programmes is to have a legal aid system

"that supports those at greatest risk, not those who are most litigious."

Rather than being the "most litigious", I see such people as being the most vulnerable in society.

When the Lord Chancellor made his statement to the House on 15 November, he talked about the back-to-basics principle of the Green Paper. This is very basic indeed. A truer account was given in the *Sunday Telegraph* the day before—if one wants the fullest account of Government policy, one should always look in the papers the day before the statement is made to the House. The *Sunday Telegraph*, which is no great friend of legal aid, said:

"Legal Aid for civil cases will all but disappear."

I do not think that that is an exaggeration. There are to be cuts of 23% in the Ministry of Justice, which is one of the highest cuts of any Department, and a cut of a third in the civil legal aid budget and a 42% projected fall in the income of legal aid practitioners. The impact assessment that goes with the Green Paper says that there will be a cut of up to 92% in the legal aid funding for the not-for-profit sector.

How can the Minister defend, or explain, cuts of that order, which effectively wipe out the not-for-profit sector? Effectively, there will be a 15% cut in the CAB's funding. For law centres, there could be a cut of up to 50%. Furthermore, as my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) pointed out, the financial inclusion fund faces an uncertain future. What is the future of that fund in the new financial year, because it alone provides 10% of CAB funding? Moreover, it was praised by the National Audit Office very recently as providing good value for money and a high-quality service.

I do not have time to go through each area of practice. I am very grateful—and I am sure that the Minister is—for the briefings that have been provided by Shelter on housing, the Special Educational Consortium and many others because they highlight the effect that these cuts will have on issues such as disrepair, allocations and the challenging of rogue landlords. The SEC's briefing gets rid of the idea that it is a litigious organisation or that it is intent on making mischief and going to court for no reason. It states that

"most parents win their appeals (82%) once they reach the Tribunal itself, and in 30% of registered appeals the local authority concedes before the case reaches Tribunal stage."

That is very much the case as regards clinical negligence as well. We must look at the defendants in many of these cases and consider why they are fighting them. A highly respected practice of clinical negligence solicitors told me that once legal aid is withdrawn, it will not be economic for it to take cases in which damages will be less than £100,000.

In the few moments that I have left, let me run through a few of the practical problems that the Government have not addressed when they put forward

their glib response to making cuts in this area of civil legal aid. Some 10 problems have occurred to me over the course of 10 minutes. Will other agencies pick up the cases that will no longer be covered by legal aid? The Government say that the Child Poverty Action Group, Age UK, Shelter and the Disability Alliance will, but have they been approached and what have they said in response? We have been told about other funding streams. I began my remarks by talking about what had happened in my own constituency and that picture is repeated all over the country. Other funding streams have already been cut. Law centres are surviving on funding from the Legal Services Commission, because local authority funding has already been cut.

Several Members have explained that such matters are complex and often inter-related. A debt problem often arises because there has been a benefit or employment problem. Tackling one but not the other is not an option. What about the economic viability of the not-for-profit sector? Is it feasible for the Government to make swingeing cuts but cherrypick the parts that will remain? I do not believe that it is, or that many law centres or private firms will survive under such a situation.

The issues of self-representation have been raised by Ministers in regard to this matter. In response to a parliamentary question from my hon. Friend the Member for Coventry South (Mr Cunningham), the Minister with responsibility for legal aid said:

"In most cases individuals will be able to"—

this is talking about welfare benefits—

"prepare their appeal to the First-Tier (Social Security and Child Support) Tribunal without formal legal assistance." [*Official Report*, 22 November 2010; Vol. 519, c. 115W.]

I am afraid that the Government are living in cloud cuckoo land, and their own figures do not support that claim. Some 40% of cases going to incapacity benefit appeals are successful with no representation and 67% are successful with representation. One of the solicitors firms that briefed us in preparation for this debate said that it had an 82% success rate in challenging employment support allowance cases, as against a national average of 40% where there is no representations.

The gateway has been mentioned. There is nothing wrong with telephone advice, but it cannot take the place of advice that is provided in person. With telephone advice, documents cannot be shown and people who have learning or language difficulties simply cannot use the telephone for that service.

Vulnerable people are not considered in this Green Paper. Unlike in the Bradley report in 2009, which dealt with people with learning difficulties and mental health difficulties in the criminal law system, no regard seems to have been given to those people in the Green Paper. Little regard has been given to the equality impact assessment, as demonstrated by the figures given by my hon. Friend the Member for Westminster North. The eligibility criteria are so restrictive that very few people will get any access to free advice in this sector at all. The cost issues have also been raised, including the fact that this change is, in effect, a false economy that will cost more in the long run than it saves.

Another point that has not been raised yet is the fact that courts and tribunals will be clogged by litigants appearing in person and legal practitioners—the Solicitor-General was a legal practitioner for many more years than I was—will realise that this change will be a nightmare for the judicial and court system.

Those are only a few of the issues that need to be raised. I hope that the Solicitor-General can respond to many of those points and if he cannot do so, I hope that he will write to my hon. Friend the Member for Westminster North and to other Members who have taken part in this debate.

This is only the beginning of the debate on legal aid; the debate will continue until the end of the consultation period, in the first instance. However, I hope that the Government realise that there are serious issues that have not been properly addressed in the Green Paper and they need to be addressed if we are to have a continuing civil legal aid system in this country.

10.51 am

The Solicitor-General (Mr Edward Garnier): I congratulate the hon. Member for Westminster North (Ms Buck) on introducing this most important subject to Westminster Hall this morning. As the hon. Member for Hammersmith (Mr Slaughter) has said, she is the founder and chair of the all-party group on legal aid and I am sorry to hear that she is stepping down from being chair of that group. However, I hope that she will continue to take a close interest in this area of public policy.

I am speaking in the absence of the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), but I think that it is fair to say that legal aid is an acutely difficult area of public policy. Everyone who has spoken today—those who have spoken directly and those, such as my hon. Friend the Member for New Forest East (Dr Lewis), who have intervened—approached the debate with no sense of political malice.

I think that in all our constituencies we find areas where there is a huge need for legal assistance; both legal advice and legal representation. My reply to this debate will be incomplete and will not come with the knowledge that my hon. Friend the Under-Secretary of State would have brought to it, since I have taken on this—I was going to say "case"—reply for the Government from another Department, which is normally a rather non-speaking Department.

Nevertheless, I hope that hon. Members will understand that we are at the very beginning of the consultation process, which will end in February, as the hon. Member for Hammersmith said. So I urge all those who have spoken in the debate and all those who have listened to it to participate in the consultation process. I also urge all those who have contacts with others outside Westminster Hall to encourage them to participate in the process, too. It is a deliberately lengthy consultation process, so that the Government can receive the benefit of the advice and the experience of those who know a great deal more about the matter than I do, and who provide advice and assistance.

The hon. Member for Westminster North and many other Members have today praised—quite properly and justly—the work of their citizens advice bureaux and not-for-profit advice providers in their constituencies. One that does not have to represent a constituency such as those of the hon. Lady or that of the right hon. Member for Tottenham (Mr Lammy) that, on the face

[The Solicitor-General]

of it, is challenged economically and socially to know the importance of those providers. One can represent a constituency such as mine that, on the face of it, appears to be prosperous but that has pockets of deprivation and great need for social welfare.

Guto Bebb: I would like to associate myself with many of the comments that have been made, especially those of my hon. Friend the Member for South Swindon (Mr Buckland). However, one particular issue that concerns me as the MP for a very rural constituency is the real possibility that we will end up with the hinterland of my constituency of Aberconwy not having any legal aid representation whatsoever, with people having to make round trips of 40, 50 or 60 miles to access support. Will my concern be addressed by the Ministry of Justice?

The Solicitor-General: I am sure that the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon, will ensure that the Ministry of Justice addresses those points and I am certain that my hon. Friend the Member for Aberconwy (Guto Bebb) will want to participate in the consultation process.

Another point that occurred to me as I listened to the debate is that none of the arguments that I heard this morning is new. Indeed, I was making some of them myself between 1997 and 1999 as the Opposition spokesperson for the Lord Chancellor's Department, when Geoff Hoon was the junior Minister dealing with this area of public policy. He was introducing proposals that turned into the so-called Access to Justice Act 1999. At the time, I suggested to him that those proposals would have had Attlee spinning in his grave.

However, to be in government is to have to make decisions and choices. The main factor that we have to address at the moment is the economic difficulties that the national budget faces. Every day, we are paying £120 million in interest payments alone. Would it not be better if we could spend that money on legal advice and representation? However, we have to make choices and I do not think that the hon. Member for Westminster North ducked that issue. In essence, she said that she accepts that choices have to be made, and that reductions in public expenditure have to be made. It is the pace with which and the areas where the cuts are made that she finds controversial.

Stephen Timms: The Solicitor-General is right to praise the work of citizens advice bureaux. However, the National Association of Citizens Advice Bureaux says that at the moment, a quarter of its funding nationally comes from legal aid. That funding will be entirely lost if these proposals go through unamended. Are the Government looking at an alternative way of funding welfare advice services across the country?

The Solicitor-General: I want to make two points. First—yes, of course the Government are doing so, and that is the point of the consultation. I hope that the right hon. Gentleman will participate in that consultation. Secondly, citizens advice bureaux are funded not just by central Government, but by other funding streams. Some are funded by as many as 15 funding streams.

That is not a complete answer to the right hon. Gentleman's question, but I will throw back to him, as a former Treasury Minister, a question: where do we find the money at a time when we are spending £120 million a day on interest alone? We have to make difficult choices.

I accept that none of the answers that the Government come up with during this period will provide anybody with complete satisfaction. Nobody will leave this debate and go home for Christmas dancing in the streets about what I have said. However, we have to be realistic and face the hard choices that the previous Government have left us.

Ms Buck: I thank the Solicitor-General for giving way. I was in error in my introduction to the debate in not welcoming him, given that he has graciously stepped in to cover the Minister whose area of responsibility legal aid is, the Under-Secretary of State for Justice, the hon. Member for Huntingdon (Mr Djanogly).

I would just like to ask the Solicitor-General to ensure, when he passes the message about this debate on to the Under-Secretary that he says that I would like an answer to one of the questions that I posed. The assumption underlying the Green Paper is that there is some mythical capacity in the voluntary and pro bono sector to deal with the areas of service where legal aid will be withdrawn. If we accept that there are cuts that will have a major impact on services, does the Solicitor-General agree that we have to be honest about the implications of those cuts and not effectively massage them away by saying that, somehow, somebody mythical will pick all this up? What estimate have the Government made of that capacity?

The Solicitor-General: The Government have commissioned an impact assessment, which I believe was published at the same time as the Green Paper. However, let me do a deal with the hon. Lady. First, of course I accept that we are facing difficult choices and I do not shrink from them. Secondly, however, does she accept my point that not every problem in life that our constituents face and that we encounter as constituency MPs has to be dealt with by a lawyer? Not every problem—be it debt, housing, family-related or some other area of dispute—has to be tackled by a lawyer. We need to refocus our attention to find solutions.

I do not shrink from saying that this is a difficult area, or from saying that sometimes the state will have to provide legal assistance. However, we have to narrow the scope or ambit of the taxpayers' responsibility for providing legal advice and legal representation. That does not mean that others in other parts of the community cannot come forward and provide the assistance that, as has been so clearly indicated by other Members, is so desperately needed.

I am sorry that this type of debate really requires rather longer time than we have had today. Nevertheless, I hope that the hon. Lady will take the debate outside into the wider community, so that the Government can have the benefit of hearing her views and those of her colleagues between now and next February.

Intensive Dairy Farming

11.1 am

Stephen Phillips (Sleaford and North Hykeham) (Con): I am very grateful to have been granted this important debate on an issue that has not thus far spent too much time in the headlines, but which is fundamental to the way of life of many of my constituents. Today's attendance demonstrates the great interest that the farming community and people who live in rural Britain have in the subject. It is a great pleasure and an added bonus, Mrs Riordan, that the debate should come under your chairmanship; that makes this, my first Westminster Hall debate, a privilege rather than the ordeal that it might otherwise have been.

I shall begin in perhaps something of an odd place, by recording what the debate is not about. It is not about—at least, not specifically about—the super-dairy that developers wish to land in Nocton in my constituency, in close proximity to a number of other villages: Branston, Dunston, Potterhanworth and Metheringham, to name but four. Now that the planning application has been validated, that issue will be properly considered in due course by North Kesteven district council. Nor is the debate about the planning process itself, at least not at this stage. Planning matters are rightly devolved to local government, where they are best dealt with, and this Government have made it clear that that arrangement will continue and be extended, which is to be welcomed.

What the debate is about—and I am pleased that Members have, for the first time, the opportunity properly to consider the issues surrounding proposals such as the one for Nocton—is the question of how we should go about producing what has been one of the staples of a balanced diet since mankind began to farm animals for his own use. It is also a debate about what is left, and about what should be the future of the British dairy industry after the 13 years of poverty for dairy farmers and their families under the previous Government. I hope that the Minister is now able to tell us that that is being brought to an end.

The simple fact of the matter, and indeed the starting point for any debate about the future of the dairy industry, is that dairy farming in this country has been in crisis for well over a decade. It has been in crisis not merely because central Government previously showed no real interest in British farming, but because of the power of the supermarkets and the other bulk purchasers to drive down prices, which they have done remorselessly and single-mindedly for far too long, without having their wings clipped.

I know that the Minister intends to do something about that. The power of the supermarkets and the large purchasers might be good for consumers in the short term, but it has not been good for farmers—nor, I suspect, is it beneficial for producers or consumers in the long term. It has driven down the price of commodities, including milk, to levels where it has become difficult, if not impossible, for British farmers to make a living or compete with producers across the world.

Those producers—and, most importantly, comparable farmers in other European Union countries—have a lower cost base than their British counterparts, principally because they are unaffected by the gold-plating of the plethora of red tape emanating from Brussels that has stymied the farming industry in this country.

To a large extent, that is an issue for another day and possibly even for another place, but it is not going away and it lies, in one sense, at the heart of this debate. It provides the reason why dairy farmers in particular have been forced to the brink, some of them into insolvency. It also provides the reason for why we are now seeing the first proposals for the sort of dairy farming industry that I know fills many ordinary people and many traditional dairy farmers with horror. Just at the moment when the British farmer is producing the food that the British consumer wishes to buy, in the way the consumer wants it, a recession and continued pressure on prices are forcing the dairy farming community to consider production mechanisms that give rise to grave concerns for animal welfare, local communities and the environment more generally.

It is often said by people in towns who have no real knowledge of how we live in rural Britain, that farmers do not care about the environment or about their animals. That argument is as wrong as it is offensive. In my experience, farmers care more about the environment and their animals than any other section of society does, but they have families to support, which is why in any debate about how we are going to produce our food and our milk in the 21st century, we need to recognise that whatever measures are introduced and whatever decisions are taken, farmers have to be paid a proper price for the food they produce.

If that were already happening with the dairy industry, we would not be having this debate today. If just a few extra pence were paid by consumers for the milk that graces our breakfast tables and tops our interminable mugs of tea, the British dairy industry would not need to consider undergoing the form of fundamental change that proposals such as those for the super-dairy at Nocton involve.

I hope that the Members who have come to today's debate will join me in the Chamber on 12 January when I seek the House's permission to introduce a Bill on the super-dairies and the issue of whether farmers receive a fair price for their milk. Those two issues are indisputably and irrevocably intertwined.

My particular concern is that the opening of intensive dairy farming units across the United Kingdom would inevitably drive more small dairy farmers out of the market. The cows that they keep, with which every schoolchild in this country is familiar from an early age, would effectively be replaced by extraordinarily high-yield animals, bred and milked in an intensive setting and with statistically higher occurrences of welfare problems. It is absolutely clear that the public would not support that if they knew about it and if they turned their mind to the question of how they wished their milk to be produced.

The Minister will know that a recent Ipsos MORI poll showed that 61% of the British public would not knowingly buy milk from mega-dairies. That is undoubtedly why many supermarkets have publicly expressed negative views about milk produced in that way, and have indicated that there is, as far as they are concerned, no market for milk produced in super-dairies.

What, one is driven to ask rhetorically, is the point of these intensive dairy farming operations? What is the point of British dairy farming going in that direction? If the British public and the British supermarkets are not going to buy the milk, it will have to go overseas, with

[Stephen Phillips]

all the associated implications for carbon miles. I have to ask, perhaps rhetorically, whether that is the way forward or whether, as I venture to suggest and as I ask the Minister to accept, it is simply better to pay a little more for the milk we need in this country and ensure that we are self-sufficient for all our dairy requirements from our existing farms.

Mr Andrew Turner (Isle of Wight) (Con): One of the problems is not that the farmers sell directly to supermarkets, but that they sell to intermediaries who may then sell to supermarkets.

Stephen Phillips: My hon. Friend is correct. The real point is that the price pressure that has come down from the supermarkets, whether through intermediaries or those responsible for purchasing milk production, has been so great that many farmers have been driven out of business, and those who remain in business, however efficient they are, are effectively driven to a point where the costs of production are almost equal—and sometimes greater than—the price that they are being paid for their milk.

The Government will have to grapple with that problem in a way that the previous Government did not. I venture to suggest that we would not be having this debate if we paid our dairy farmers a proper price for their milk, because there would be no need to consider super-dairies.

I have already made it clear that every farmer I have met is concerned more for the welfare of his or her stock than is generally accepted, yet the proposals for mega-dairies undoubtedly give rise to legitimate concerns about the welfare of farm animals. Although the Department for Environment, Food and Rural Affairs and the Minister, in his previous utterances, are correct to say that the most significant influence on welfare is the stock keeper, rather than the system, that statement depends on the existing status quo and, with regard to the proposals for Nocton and other mega-dairies, might not take into account potential future developments in the industry.

Future intensive dairy farmers, if we are to go down that route, will have to comply with existing welfare legislation for their animals, a point that I look forward to hearing the Minister confirm. Those animals will need space to move around in and adequate bedding, and all the other regulations for the existing dairy industry will have to be complied with. If we are to go down that route, there is no reason to believe that farmers would not treat their herds as well as the vast majority of small dairy farmers currently treat their own. It would not be in their interests to mistreat their animals, and I do not suppose that that would happen. However, it is equally clear that very large dairies require better monitoring, and different—much more stringent—animal welfare guidelines, and I hope to hear the Minister confirm that.

The point is that although poor welfare can occur in both intensive and less intensive systems, the evidence available from the United States and various other jurisdictions plainly shows that intensive systems are more predisposed to increasing the risk of poor animal welfare. Intensive milk production models are driven almost exclusively by volume; they demand high yields from cows to cover their inherently high set-up and operating costs. The relentless pursuit of more and more litres of milk to reduce the unit costs of production can take its toll on health and welfare, which is what concerns so many people. The toll on health and welfare can reduce the longevity of animals and place pressure and stress on them.

Experience from overseas, as I have indicated, is not promising. The driving up of milk yields through intensive selection has come at the well-documented expense of animal welfare, so the real fear is that mega-dairies in this country would do nothing to address the lameness, infertility and other health problems that already affect too large a proportion of Britain's existing dairy herd.

However well cows are kept while indoors, it seems to many to be wholly unnatural to keep them inside all year round, and I understand those fears, although it is fair to say that that happens in some colder parts of continental Europe. Not allowing cows outside to graze during the grazing season seems to many to savour of battery farming, someone that this country set its face against a long time ago.

We must not ignore the fact that a lack of access to pasture concerns many people and is often responsible for animal health problems, which I do not exaggerate, as I am sure the Minister will accept. A review carried out by the European Food Safety Authority in 2009 concluded that zero-grazing systems give rise to a higher incidence of various health problems in animals and reduce their capacity to engage in normal social interactions. That concerns many farmers and many consumers when they turn their minds to the question.

Dairy farming has been part of this country's agricultural economy for many hundreds of years and is part of our rural heritage, as it is in my constituency. That is partly why the reduction in the number of British dairy farmers is of such concern to so many of us. The numbers are frightening: in 2000 there were 23,286 registered dairy production holdings in England and Wales, but today the number is 11,233.

Many of those farmers have gone out of business for reasons to which I have already alluded—they cannot get a good price for their milk and too often have to sell at below the cost of production. I accept that intensive dairy farms could provide economies of scale and allow for greater mechanisation, which would start to reduce those trends, but I hope that the Minister will accept that that must naturally come at the expense of smaller operations.

To put it another way, although such economies of scale are great for the owners of intensive dairy farms, they sound a further death knell for many smaller producers. Although many people say that they would prefer to purchase their milk from smaller producers, there is, as the Minister knows, no requirement to label the origin of milk, a fact that supermarkets know well and wish to see continue.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): On my hon. and learned Friend's previous point, is he aware that a number of auctioneers across the UK are simply not taking bookings to sell milking cows until well into next year because there is such a backlog of farmers going out of business and trying to sell their dairy cows?

Stephen Phillips: I was not aware of that, but it does not surprise me, given the state of the British dairy industry. That issue is at the heart of the debate. What do we want to see in future for the British dairy industry? I want to see existing producers paid a suitable price for their milk so that they can provide a decent living for their families and continue the tradition of farming that has gone on in this country for hundreds of years and that does not result in the environmental concerns associated with intensive dairy farming, which for the most part I set my face against.

This is not a situation that the Government can permit to continue. Given the pressures on small farmers up and down the country, it is unacceptable for the Government to say that it is all merely down to the planning process, leave it up to local authorities and allow smaller producers simply to be undercut by intensive dairy farms, which for many might be the last straw. If intensive dairy farms are to be allowed at all, I hope that the Minister will state that there will be action on price and labelling so that British consumers who wish to avoid purchasing milk from intensive dairy farms will have the opportunity to do so. If freedom of choice means anything, it certainly means that we should be able to do that.

Roger Williams (Brecon and Radnorshire) (LD): I congratulate my hon. and learned Friend on how he is taking the debate forward. He has made the important point that there has been enormous price pressure on existing dairy farmers, but does he agree that one way to address the problem would be to have the so-called grocery ombudsman or regulator to ensure that a few large dairies cannot take advantage of many small producers?

Stephen Phillips: I agree with my hon. Friend. I believe that at the election all three main parties promised a farming ombudsman, and that the Minister intends to introduce one. Given the constituency that I come from, I hope that that will happen soon.

Be in no doubt: we need a farming ombudsman, and not just for dairy farmers. We all hear tales about how supermarkets in particular put pressure on farmers so that they can improve their bottom line. Consumers who purchase food at those supermarkets simply do not know about that; incidentally, I believe that they would be disgusted were they to know the full truth.

We need a farming ombudsman, and, if it is not out of order or inappropriate, perhaps the Minister would confirm that we will get one in due course, and that it will be soon. I agree with the comments of my hon. Friend the Member for Brecon and Radnorshire (Roger Williams).

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): My hon. and learned Friend has just used a phrase that I would not wish to gain currency. I can confirm happily that the Government are committed to introducing a grocery ombudsman, but he used the words "farming ombudsman". That is not what is under discussion. I am sorry, but I wanted to make that correction.

Stephen Phillips: I am grateful to the Minister for that correction. At some point, we may need to have another debate about the scope of the ombudsman's jurisdiction and powers, but perhaps we can leave that to one side for the remainder of today's debate.

I said at the outset that this debate is not primarily about the specific proposals for Nocton, but one aspect of intensive dairy farming is that it can adversely affect local communities in several ways. As I have seen from my postbag, the ongoing application for the proposed farm at Nocton is almost universally opposed by the communities in which it would be sited, and by those who have lived in settled farming communities for all their lives. This is not nimbyism—at least it is not just nimbyism. It is a legitimate desire to maintain recognisable rural communities away from the hurly-burly of the industrialised practices that are associated with such farms, just as they are associated with light or heavy industry.

Also, let us not forget the slurry: cows produce slurry, which must be disposed of. Digesters are part of the answer for such operations, but significant quantities of dirty water remain to be disposed of either through environmentally-unfriendly tankering operations or through discharge, which, unless carefully managed, runs the risk of polluting aquifers.

As far as the opposition in my constituency to Nocton is concerned, the problem emphatically is not exclusively about odour—an odour which those of us who live in the countryside are used to and, indeed, of which we are rather fond. Effluent contains pathogens and other harmful substances, including residues of pesticides and veterinary medicines. The use of anaerobic digestion to process slurry cannot mitigate the entire problem, particularly when dealing with waste from a large number of cows.

This may not be a problem at present in Lincolnshire—although it is worth noting that it is one of the driest counties in the country—but the fact is that this country and the world face increasing pressure on water resources. Intensive dairy farming units would put a great deal of strain on those resources, as they use large quantities of water. Dairies such as those proposed for Nocton can cause strain on local water resources. I venture to suggest that, if this country were to go down the road of intensive dairy farming, the Minister might wish to regulate where such farms can be sited, given local water resources.

Another reason why local communities are right to be concerned about proposals for large-scale dairy operations—I shall end my substantive comments today with this—are the traffic issues associated with any form of industrialised process, whether in the farming industry or any other. Large numbers of cows that are milked for high yields produce large quantities of milk that need to be transported, and require deliveries of all manner of feed and other products associated with their maintenance and support. In areas where traffic is already an issue, the strain that would be placed on existing infrastructure would be, at best, undesirable.

In areas where traffic is not an issue, perhaps because of their rural nature, the position would be just as bad. Additional traffic movements, particularly of heavy and slow-moving vehicles, could contribute to accidents. Communities in those areas are not used to such traffic, and there is not the infrastructure to deal with the issues surrounding the additional movements. To some extent, that is certainly the case at Nocton, where such issues rightly concern many of my constituents.

The solution to all that, as matters are at present, is that we need to make careful inquiries about the mega-dairy bandwagon and prevent it from gaining steam. At the

[Stephen Phillips]

same time, we must recognise that the necessary price of that is developing and paying properly for the remaining existing dairy farming industry.

We need a rural economy based on sustainable, conventional dairy farming, which includes farmers breeding robust cows that retain the capacity to look after themselves—cows grazed on pasture during the grazing season, and farmers striving for and achieving greater longevity for their animals, producing valuable male calves that can be reared economically for beef.

Robert Flello (Stoke-on-Trent South) (Lab): I apologise for my late arrival; unfortunately, I was detained elsewhere in the House on other business. I have thoroughly agreed with and enjoyed as much of the hon. and learned Gentleman's speech as I have been able to listen to.

Would the hon. and learned Gentleman agree that mega-dairies are actually the thin end of the wedge, and that we may well find in the future that there is almost no rural economy? The ideal location for one of these super-sheds is somewhere like Stoke-on-Trent, on a brownfield site next to major road infrastructure, where materials, feed and so on can be brought in, and waste products can be removed. This could be the start of the end of the British dairy farming industry.

Stephen Phillips: I agree with the hon. Gentleman. That was my reason for asking for this debate in the first place. It is also the reasoning behind my solution. Mega-dairies are not the road to take. The hon. Gentleman raises the prospect of super-dairies being sited in large sheds on brownfield sites, with all the difficulties that that would cause in respect of not only deliveries of milk, feed stuffs and so on, but disposal of the animals' waste, which would have to be tankered away from such sites—nothing else can be done with it. I agree that this is the thin end of the wedge, and that is why we have to face it down. I hope to hear from the Minister that that is the Government's view.

Intensive dairy farming is not the future that I wish to see. I hope that the Minister agrees with my view, which is that, in the best interests of the industry, rural Britain and our dairy farmers, we should create a supply chain that ensures that farmers receive a proper price for their milk. We do not need any super-dairies, whether at Nocton or anywhere else in the United Kingdom.

11.28 am

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I join in congratulating my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) on securing this debate. Any discussion in this building about the plight of rural communities, in particular the agricultural aspects of it, is encouraging.

If I may, I would like to start with some of the economic context which my hon. and learned Friend mentioned, and quote some figures. I do this as a brother-in-law of a dairy farmer, the son of a dairy farmer, and the husband of a dairy farmer's daughter—hon. Members will get a general idea of my position. At present—admittedly, this is only one set of figures—farmers are producing milk at a loss of between 1p and 2.5p per litre. The dairies sell their products for a profit in the region of 4p to 5p, yet certain supermarkets—I shall try to be careful about naming them—are selling at a profit of 22p a litre. That is the economic context which my hon. and learned Friend mentioned. I absolutely agree with him that the buying public, if they were aware of the muscle that is applied by supermarkets, would greet that knowledge with a certain amount of disdain and, indeed, disgust.

Let me take that a stage further. One supermarket prides itself on paying its suppliers a rather higher price—about 28p a litre. If the truth was known that only 800 suppliers—some 10%—qualify for that price, the public would raise an eyebrow. In addition, the supermarket in question does not fork out that extra amount itself. Instead, it has insisted on the middle man at the dairy negotiating a more stringent price with the supplier. What did the dairy do? The dairy froze its payments to farmers who are not providing that supermarket, which meant consequentially that their price was reduced. Although that supermarket is obtaining good public relations for distributing press releases talking about fair trade for farmers, it has not been impacted on at all. Yet all those farmers who are not lucky enough to provide that supermarket chain have been penalised. That is the actual, factual economic context behind this important debate. That is why—there is no other reason at all—we are looking at the prospect of super-dairies, if that is the right expression.

I want to inject a degree of measured middle ground, if I may. It is obvious that, increasingly, farmers recognise that scale is the only way that they can make money. I am not talking about making large sums, but about making sufficient money not to go bust and to be able to invest in new technology, which is not just desirable for milk production, but is required by law in the current economic and legal climate.

I represent an area of west Wales in Carmarthenshire, in probably one of the largest milk-producing areas in the UK, where there is a significant problem of tuberculosis in cattle. Fortunately, that is a debate for another day. I am aware, through my constituents, that there is an attraction to housing cattle indoors as far as possible, because doing so reduces the risk of infection from TB and enables farmers to bulk buy feed and bedding materials. Hon. Members will be aware that feed has never been more expensive than it is this year.

It is also clear that production on a larger scale reduces the chances of pollution. We are all aware, sadly, of the incidences of pollution as a consequence of leaking slurry tanks and the like over the years. Fortunately, there has been a decrease in such instances, partly because of housing measures that people have put in place and are increasingly under pressure to implement.

There is an argument, whether it is proven or not, that indoor milk production reduces the carbon footprint of particular farms. Other hon. Members will no doubt expand on whether that is a compelling argument.

I am not trying to justify or promote large-scale dairy production; I am simply trying to set out what my milk-producing constituents see as an essential consequence of the supermarket grip on the industry, and saying that they regard themselves as being much more likely to be able to invest decent sums in modern technology—we

have heard about anaerobic digesters—under such conditions than they would be able to under any other system.

Roger Williams: My hon. Friend is generating an interesting point of view, which is that we need a range of dairy farms, from small and medium-sized ones to larger ones. The hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) said that there is a welfare code for dairy animals. Perhaps animals kept in larger units might need a different approach under the welfare code, because they will be kept in different circumstances.

Simon Hart: I agree. There is no greater expert on this subject than my hon. Friend.

I want to return to welfare concerns. The hon. Member for Stoke-on-Trent South (Robert Flello) made an interesting intervention on whether dairy production would be encouraged to move from its traditional countryside location to brownfield sites. Although there is a danger of that happening, I am not as convinced of it as he is. There is more to dairy farming than milking cows; there is young stock, dry cows and sick and lame animals that cannot be housed indoors. There will always be a need for animals in green fields. I do not think that we want to assume that milking is the only part of the process and that dairy farms can be located anywhere in the UK. It is not quite as simple as that.

When we discuss animal welfare in this context, there is a gulf of difference between reality and perception. My hon. and learned Friend mentioned legitimate concerns. I am always wary of legitimate concerns unless they can be backed up by evidence. The Department is assessing the welfare implications of indoor cattle. We Members of Parliament, particularly those representing agricultural areas, would be well advised to be a little bit cautious about talking about legitimate concerns until we know that there are legitimate concerns to be cautious about.

It is important to remember, in considering the scale of milk production, that thin, lame or ill cattle can be segregated in bigger herds, whereas in normal circumstances, in small-scale production, they can be prone to bullying by other animals in the herd. Being able to do such things on a larger scale, there is an argument, which I accept is unproven, that says that welfare standards can be improved. In other words, big is not necessarily bad. I suspect that we are all aware of small dairy producers—the sort that we are trying to champion—whose welfare standards are not as good as larger, slightly more industrial units, to use an unattractive term.

We have to be cautious about assuming things and being led by the nose—I am not suggesting for one moment that hon. Members are—down the road that says that big is bad and that the only kind of high-welfare milk production is undertaken by small producers. We know that that is not so. We need evidence to hand before we make judgments in that regard.

I welcome this debate, which has been waiting to be heard and which has huge consequences for the rural economy. If the Government get this wrong—I am not suggesting that they might—there will be massive social and environmental consequences and it will be hard to be put things back together.

Hon. Members have mentioned economic circumstances, but tracing this issue to its source it comes back to a simple question. How do we deal with the stranglehold of the supermarkets over our dairy industry? It is not the fault of farmers, the planning system or the Government; it is the fault of supermarkets, which are putting short-term gain at the top of their agenda, at the risk of putting the UK dairy industry either into terminal freefall or being exported.

We need to impress on the supermarkets the importance of this matter. A demonstration by Welsh farmers outside Asda in Chepstow tomorrow will express this view. I said that I would not name a supermarket, but now I have. It is a sad day when any section of the agricultural community is subject to such pressure, because the long-term downstream consequences for the rural community as a whole will be devastating unless we get this right.

11.38 am

Mr Roger Gale (North Thanet) (Con): I congratulate my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) on securing this debate, his measured introduction and balancing clear arguments on welfare and costs. May I also congratulate my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart), who brings personal expertise to this debate in a way that most hon. Members cannot? It is more than 60 years since I first tried to milk a cow by hand and if I tried it today, I probably would not be good at it.

Anybody who has been brought up in the west country, as I was fortunate enough to be, cannot fail to recognise the importance of the dairy industry to the rural economy and to our countryside environment.

My hon. and learned Friend initially said that super-dairies were a planning issue, although he moved away from that posture. Technically, that is correct, as is the case with the one in his constituency, but I venture to suggest that the issue goes much deeper and is a moral one. Those of us who are sad enough to wake up too early and find ourselves listening to "Farming Today" know only too well, because we hear about it with monotonous regularity, the plight of the dairy industry. Having heard the figures—they were placed on the record again this morning—we understand how dairy farmers are being screwed by the supermarket industry. That may be inelegant, but it is accurate.

The debate so far has concentrated on the obvious economic problems to the detriment, to some extent, of the moral argument. Those of us who have knocked around in this place for a bit—some of us are here today—participated in the campaign to ban veal crates in the United Kingdom. We were highly delighted when we succeeded, and the Government of the day outlawed the use of crates in this country. With glorious hindsight, with which we are blessed, it was a pyrrhic victory, because all we did was to move the problem from A to B, and veal calves that were once reared under relatively humane conditions, albeit not desirable, in the United Kingdom are now reared under infinitely worse conditions on mainland Europe. Not only that, they are first transported to mainland Europe by sea. Far from win-win, we can fairly say with hindsight that it was lose-lose.

[Mr Roger Gale]

My concern is that unless we get the matter right, we are in grave danger of moving the dairy problem from A to B, to the detriment of the British dairy industry and of animal welfare, so again it could be lose-lose. Reference was made to regulations from Brussels being an argument for another day but, with respect, I believe that it is an argument for today. Unless we engineer a situation that overrides European regulations on free trade, and put in place measures that will not allow to be sold in the United Kingdom animal produce that has been reared under conditions that we would not permit in this country, we shall lose.

I detect that no one in the Chamber wants super-dairies to take over from traditional dairy farms, but the danger is that those who fund the super-dairies will take their money to northern France, Belgium, Holland or elsewhere close by on mainland Europe and produce precisely the same quantities of milk under precisely the same undesirable circumstances. We will import it and our British dairy farmers will go out of business.

Robert Flello: I am listening with great interest and appreciating the passion of the hon. Gentleman's speech. Will he draw some parallels with what has happened in the pottery industry in my constituency, where the work has gone abroad? Pottery owners drove down prices as much as possible to try to compete with cheap imports until they were no longer competitive. Production moved abroad, goods were produced more cheaply and then imported back, and were passed off as being produced here because they were packaged here. Is not the same thing happening already in the food industry with pork being imported, packaged and sold to unsuspecting British consumers as though it were British pork? I appreciate the hon. Gentleman's line of argument, and perhaps he will draw some parallels.

Mr Gale: I will not be tempted down that road, simply because it is probably outside the remit of this debate, and because there is a fundamental difference. Of course, I accept that cheap imports of anything from anywhere can damage our UK producers and, therefore, to some extent our UK economy. Mass production is a feature of the world, and we import goods from all over the world, but we are talking about welfare. We still import veal that has been produced in veal crates, while not allowing veal crates here. That is a welfare issue. We still import chickens and pigmeat that are produced under intensive conditions that we would simply not allow in the United Kingdom. I fail to see how it can be right for us to shackle United Kingdom agricultural producers and to tie one, if not both hands behind their back, while cheerfully allowing European trade regulations to override all those welfare considerations so that our markets are flooded by anything from anywhere, produced under any circumstances. That is morally wrong, and we must stop it.

If the public seriously believe in the moral and welfare issues, they must be prepared to pay. We must be prepared to pay a fair price to farmers for our food—not to the middle man or the supermarket, but at the very beginning to farmers. That is the only way to secure the right to demand high animal welfare standards. But I must tell my hon. Friend the Minister that in tandem with that, we must get regulation under control so that we not only pass, but enforce on Europe and the rest of the world the welfare regulations that we apply to ourselves here in the United Kingdom.

11.46 am

Zac Goldsmith (Richmond Park) (Con): I thank my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) for obtaining this important debate. He could not have picked a more important time to do so, as we have heard. We are all aware that we are at a crucial stage with a plan for a new factory dairy farm. It will either be approved by Lincolnshire county council or, if the decision is deferred, considered by the Secretary of State for Communities and Local Government. I hope to contribute to persuading the Minister to use his influence to encourage the Secretary of State to delay that application when it is submitted. I shall briefly explain why.

We have heard arguments on animal welfare and broader environmental concerns. A broad range of organisations, including Compassion in World Farming, the Campaign to Protect Rural England, the World Society for the Protection of Animals, Friends of the Earth, the Campaign Against Factory Farming Operations and many others, have made their views known. I want to return to another major concern.

The Minister told hon. Members in the House that he welcomes the fact that people are looking to invest in our dairy sector. But is that the kind of investment that we want? No one can deny that if the mega-dairy model is a success, it will impact heavily on traditional dairy farming in this country. If the new model works, the old model will have to give way at some point. Farmers will go out of business, and for those who survive, there will be little prospect of their children taking over. We will see a profound transformation of our countryside with acceleration of the depressing trends described in the brilliant speech by my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart).

Today, just over 16,000 dairy farms produce 12 billion litres of milk. If the CPRE research is correct, the same quantity could be produced with just 232 Nocton-style mega-dairies. We have seen in the United States how quickly intensive agriculture can take hold. In 10 years, the number of cows reared in intensive conditions nearly doubled from 2.5 million to 4.9 million between 1997 and 2007.

If we are to move to a situation in which farmers are replaced by a handful of technicians, cattle food is imported, fields are left empty, and cows are denied grazing, at the very least we should consider the implications because that shift is not inevitable, as we have been led to believe. It will not result from some kind of overwhelming evolutionary market force. It has nothing to do with the market. I have yet to meet a single consumer who wants to buy such stuff. Even some of the mega-supermarkets that have rightly taken a bashing this morning—I will give them another bashing later—and household-name supermarkets have said that they will not sell milk from mega-dairies. There is no shortage of milk. We export more than we import. The market is not what will take us towards the mega-dairy—or, indeed, towards cloned

meat or genetically modified food, both of which seem to be back on the agenda. However, politicians might take us in that direction.

We have a new farming Minister who is almost unique in that he is respected by both small and large farmers. He belongs to a Government whose leaders spent a great deal of time before the election, crucially, supporting slow food, organic food, sustainable food, local food, farmers' markets and the works—the antithesis of factory production. I do not believe that the Minister wants to preside over a process in which our countryside is effectively handed over to US-style intensive agribusiness.

I recognise that the National Farmers Union has, more or less, endorsed the Nocton plans, but the NFU stands almost alone among farmers' groups with that support. It would be wrong to mistake the NFU for an authentic voice for farmers, given that its president casually recommended recently:

"We need to experiment...We should give it a try."

He was not speaking for farmers but for agribusiness. That is why, outside Parliament a few years ago, representatives from countless small farming organisations lined up with posters saying, "NFU: No F...ing Use"—I was there at the time.

Nocton is opposed by a wide range of farming bodies, from FARM, the Small Farms Association and the Family Farmers Association to the Soil Association, and including the Farmers Union of Wales, which said recently:

"Given that a single super-dairy could take the place of scores of average sized family dairy farms, we would prefer to see traditional family farms staying in business and receiving a fair price for their milk, rather than single massive units pushing others out of business".

I know that the Minister shares that concern for the future of farming in this country. I urge him to step in now, before it is too late. We do not always have to yield to the lowest possible standards. We could, for example, invest the £2 billion or so spent on food in schools and hospitals on the best quality, local, British sustainable food, cutting food miles, giving patients and children the food that they want and immediately boosting the rural economy.

As we have just heard in the speech of my hon. Friend the Member for North Thanet (Mr Gale), we can insist that whatever food is imported should meet the same standards that we apply to our own farmers, so that our farmers are not unfairly outcompeted. Yes, that requires us to take on the trade rules but, if the rules make no sense, the Government's job is to challenge them. We must do that if we are serious about protecting the British farming sector.

In addition, we could negotiate a better deal from the supermarkets. I will not repeat the arguments that we have already heard, but they are absolutely valid and I echo them. There is an imbalance of power—again, I cannot imagine any other body in this country, other than the Government, that is able or equipped to challenge and address that imbalance. That is a prerequisite for ensuring the survival of the farming sector.

We have heard that the Department for Environment, Food and Rural Affairs does not have the power to stop Nocton or such a dairy model. However, if the Minister is persuaded that the risks are too great, he can raise standards without legislation, to prevent such developments from happening. I do not expect him to be persuaded in this forum, in a brief series of speeches, but I ask him to acknowledge the concerns and to use his influence to put the project on hold until he has commissioned a broad and thorough analysis of the likely impacts, not just on welfare, which is key, but on the whole farming sector. Without that information, we cannot take a proper, responsible or reasonable decision.

11.53 am

Glyn Davies (Montgomeryshire) (Con): Thank you, Mrs Riordan, for the opportunity to contribute to a debate that is close to my own interests. I thank my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) for the way in which he introduced the debate and, in particular, his reference to the power of the supermarket—I am looking forward to that debate in the new year, when we will address what is a fundamental issue in this debate.

I have three reasons for wanting to contribute to the debate. First, for the first 15 years of my working life, I was a dairy farmer. I gave up dairy farming because, with 70 cows and a pipeline system, I was finding myself left behind. I had to make a huge investment to go up to 150 cows, so I took the decision to stop dairy farming and to switch to beef and sheep.

I also spent seven years as the chair of a local planning authority, so I have a significant interest. The issue that we are discussing is a planning one, making the debate of interest to me.

My third reason is the application for a 1,000-cow dairy unit in my constituency, quite close to my home, which has been controversial. I do not want to make particular reference to that planning application, because there are pluses and minuses. A local young farmer has general support for wanting to stay competitive in a difficult industry, but on the other hand the unit would be close to a local school, so it will be a big issue for the local planning authority to decide.

There are mixed views. I am keen to see a balanced approach to the debate. My fundamental approach to any issue is to ask, "Why not?" We are talking about a completely new type of dairy unit. It is important to start from the general principle that people should be allowed to do what they want unless there is a good, solid reason for not doing it. The same applies to planning. A planning authority starts from the position that it should grant planning permission, unless there are good planning reasons not to do so. I want to approach the debate with that general attitude.

I am as much a romantic as, probably, any of us. My first experience of dairying was on my nain and taid's farm, where they milked seven cows. My nain milked the cows by hand. They made cheese and I used to spin the churn—it was pretty hard work, too. I am probably the only one present who has done that, and it is pretty significant work—my granny was quite elderly and had no problem at all, but I did—and milking cows by hand is not easy, either.

I have an instinctive antipathy to the idea of nearly 4,000 cows in a unit, but we need to go beyond that and look at why we might oppose such plans. It is not straightforward.

Stephen Phillips: My hon. Friend is concerned about 4,000 cows, but I wish to make it clear that the proposers of the development at Nocton originally put in an application for more than 6,000. If he is concerned about 4,000, it has been made clear that that will in due course become 6,000, so he ought to be even more concerned. I hope that he agrees with me.

Glyn Davies: I heard that the original Nocton proposal was for 7,000 cows. Once we reach 1,000, the principle is much the same—we are dealing with a big unit in which the animals are housed for almost the whole time. That is a different way of producing milk. I accept my hon. and learned Friend's point.

Let us go into the reasons for not doing it. The first was in the more significant part of my hon. and learned Friend's introductory speech: the driving out of small farmers as a result of the economic conditions that the larger farmers might create. I am not sure that I accept that reason. When I was milking 70 cows, I was accused of driving out small farmers. That was the position then. In truth, a person hand-milking seven cows was just not economic—that was the reason for stopping the business. In those days, the 70-cow unit was economic, but we reached a stage when it was not.

Small farmers will be and have been going out of business—we heard the numbers earlier. That has happened and will continue, irrespective of the large farming unit. I do not think that there is a direct correlation between the two issues.

Simon Hart: We are in danger of muddling two things, one of which is the size of the unit. Plenty of farmers have gradually crept up from seven cows to 70, from 70 to 170 and, in my family's case, from about 100 to 400. Is there some cut-off point, above which they should not be allowed to go? That is one of the issues we are discussing. The other issue is whether it is appropriate to be milking cows indoors 365 days of the year. We are in danger of confusing the two issues.

Glyn Davies: Several issues are probably involved, so I want to make my second point, which is that we might want to resist the development on welfare grounds. We can include housing for 365 days a year as a welfare issue. Even with a seven-cow herd, the animals were indoors for six months of the year. Being indoors is not particularly unusual. I think that the application for a 1,000-cow unit in my constituency proposes that the animals should be indoors for almost two thirds of the year. I suspect that the application for the 7,000-cow unit proposed having the animals indoors, apart from the followers, for 12 months of the year. What we have to keep at the core of our thinking is high welfare standards, and we must be guided by science or we shall lose the argument in the end.

[Mr Edward Leigh *in the Chair*]

I do not accept that it is necessarily more difficult to meet welfare standards with a large herd than with a small herd. I know that some people will disagree, but I just do not think that the large size of a herd is a proven reason for that. In fact, we can argue a little bit the other way, because for a large herd, there will almost certainly be professionally trained staff, and a large unit will be able to afford to keep them professionally trained. It will be able to do the training that smaller units cannot. A large dairy unit will almost certainly have an ongoing relationship with a veterinary surgeon, who will call in regularly. The smaller units do not have that. Most farmers with herds the size of mine considered themselves to be veterinary surgeons. We were not willing to pay what I thought were excessive bills at the time—we did it ourselves. I think that we shall find that the welfare standards in large units will be very impressive, and if they are not, they will not get permission.

There are many other, environmental reasons why one might want to refuse an application for a large unit, and I think that planning authorities should be willing to turn down applications, unless they meet their exacting standards. The application in my constituency is within view of Powis castle. The local planning authority will have to consider that issue. The Environment Agency will have to examine all the implications for the environmental impact. All such issues will have to be considered by a planning authority before approval is secured.

I want to deal now with the public resistance element. During my eight years in the National Assembly for Wales, I was a huge enthusiast for organic farming and farmers' markets. We should continue with that, but we have to persuade people to come and buy from these units. The reality is that most customers—consumers—will buy where the price is cheapest. The supermarkets will drive down the price, and unless British farmers produce the product, they will import it. My hon. Friend the Member for North Thanet (Mr Gale) made a very good point about exporting a problem. That is exactly what might happen in the dairy industry unless we deal with the matter. In relation to public resistance, we need a balanced and open mind and a view based on scientific knowledge.

I want to appeal not only to my hon. Friend the Minister but to everyone who participates in the debate—because it will be an ongoing debate; the issue will not be dealt with in the short term—not to take an instinctive view. Mine might be one of antipathy. We must examine the science, because in the end that is what will rule the decision. If we in this House are to have an impact on the issue, we have to present the facts and have an influence, we hope, on the purchasers, which are mostly supermarkets. Only the Government can do that now, because supermarkets have reached such a state of dominance in the market. By taking a balanced approach, we may well have some influence and, while not necessarily returning to the image of my childhood, staying rather closer to it.

Mr Edward Leigh (in the Chair): Order. I want to allow time for the winding-up speeches, so I will call Neil Parish now, but he must finish his speech, please, within five minutes.

12.3 pm

Neil Parish (Tiverton and Honiton) (Con): I should like to follow my hon. Friend the Member for Montgomeryshire (Glyn Davies) and say that my views on this issue are also mixed. If I look at the commercial situation and even the animal welfare situation, I do not think that there is a problem with the unit that we are discussing, because there will be vets on call, the buildings

will be exceptional and the quality of everything on that farm will be excellent. I do not think that that is the issue.

I shall explain my concern. When we see the advertising of milk, cheese or butter, we see the wonderful Kerrygold cows hopping around the field. I do not think that the Kerrygold cows are any happier than anyone else's cows, but of course that company is very good at marketing the product.

I worry about the dairy industry as a whole. We live in a time when people want to eat less fat and we need to market the product well, and I am not convinced in that respect with regard to 4,000, 6,000 or 8,000 cows on a farm in Lincolnshire or wherever that are kept indoors all the time. Let us say that a farm has 6,000 cows. Six fours are 24; that is 24,000 feet. Imagine turning those out into a field; certainly, if it was one of my fields in Somerset, it would not take long to turn it into a plough ground. I know that, in reality, not all 6,000 cows would be turned out together, but the chances of those cows going out into the field and being seen grazing are pretty negligible. I think that we all accept that.

We can argue the rights and wrongs of the single farm payment and the common agricultural policy, but farming does take quite a lot of public money one way or the other, and the public, rightly or wrongly, want to see a certain style of farming. They want to see cows out in the fields. We have only to think back to the time of foot and mouth disease in 2001, when so many sheep and cattle were, unfortunately, slaughtered. The one thing that the public told me was that they missed the livestock in the fields. We have to face up to that.

My hon. Friend the Minister has a huge conundrum to solve. From the point of view of the economics, welfare and planning, there is probably no problem, but in terms of the industry, the welfare of farmers and the public's concept of farming, there is a big issue. We can argue about the economics of dairy farming, but it will be accepted that even now, people should be able to make a reasonable living from 200 cows, so do we really want to go to 4,000 or 8,000 cows, which will take out 40 or 80 of what I would call commercially viable farms?

Then what are we doing? We are handing over even more power to the supermarkets. They will love to get their milk from herds of 4,000, 6,000 or 8,000 cows, because they can send dirty great tankers along, probably all day long, to collect the milk. I suspect that the cows will be milked several times a day, so there will be milk there all the time and the supermarkets will be able to get tanker-loads of it. That suits everyone from a commercial point of view, but will it actually increase the price of milk? I doubt that very much. I suspect that it will decrease the price of milk and then the 200-cow herd, the 300-cow herd and even the 400-cow herd will be under pressure.

I know that I am perhaps wanting to have my cake and eat it. I want to say, "Let's have commercial farming," and then say, "Well, this is a little bit too commercial. Let's stop it here." However, we do have to consider the issue carefully, because we are talking about the overall health and the overall marketing of the dairy industry and what I believe is an excellent product; it is very good for people to consume. Returning my remarks to my constituency in Devon, I have to say that keeping cows out grazing is part of the landscape that people expect to see.

I do not envy the Minister his task today because he has to balance many elements, but as we move forward on this proposal, or stop it or whatever, we must be conscious of the dairy industry as a whole, of smaller farms and of the public's perception of dairy farming.

12.8 pm

Mr William Bain (Glasgow North East) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mr Leigh, as it was under Mrs Riordan's. This has been an excellent debate. I congratulate the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) on securing it. He spoke with great passion and authority.

I also wish to commend the contributions of the hon. Members for Carmarthen West and South Pembrokeshire (Simon Hart) and for North Thanet (Mr Gale), who referred to the moral argument underpinning the issue and to the need for EU-level reform. I thank the hon. Member for Richmond Park (Zac Goldsmith), who made an interesting and thoughtful speech. The hon. Member for Montgomeryshire (Glyn Davies) spoke of the need to promote further scientific research with the authority of being a dairy farmer. I also wish to commend the speech of the hon. Member for Tiverton and Honiton (Neil Parish).

The dairy industry in the United Kingdom has been through an extremely volatile period. Intensive farming raises three challenges: first, animal welfare; secondly, greenhouse gas emissions, to which I think the hon. Member for Richmond Park referred; and thirdly, market distortions, which we hope the work on the grocery ombudsman, begun under the previous Government, will address. I hope that that work will be implemented under the current Government. I shall develop each of the points in turn.

After a period of extreme volatility, the dairy industry in the UK is still the third largest in the EU and the ninth largest in the world, producing more than 11 billion litres per annum, amounting to more than 16% of agricultural output last year, and contributing £3.1 billion to the economy. Despite the volatility in production and prices, yield per cow increased between 1995 and 2005, and average yield per cow increased in 2008 and 2009. The NFU said earlier this year that a typical UK dairy farm with a herd of 113 is likely to produce approximately a million litres of milk per year, with the average yield per cow increasing from slightly less than 6,000 litres in 2000 to more than 7,000 in 2010.

It is clear that it is ultimately for the local council and, if brought in by the Government, the Secretary of State for Communities and Local Government to determine what happens in Nocton. I do not wish to comment on the precise legal technicalities of the process that may come in future. However, the debate has raised wider questions on what the view of DEFRA and right hon. and hon. Members should be towards intensifying farming, based on the three points that I mentioned.

There does not seem to be consensus that intensifying farming will universally lead to negative outcomes on animal welfare. The Farm Animal Welfare Council

[Mr William Bain]

and the Royal Society for the Prevention of Cruelty to Animals have said that, in their view, intensification will not necessarily lead to a diminution in animal welfare.

Mr Gale: Does the shadow Minister accept that there is a fundamental difference between animal health and animal welfare? One is quantifiable and easy to identify, and the other is much harder to identify, but just as important.

Mr Bain: That is an extremely good point. The hon. Gentleman anticipated the argument that I was going to advance. There is a need for more research into intensification. In the United States, farms of 15,000 cows or more are not unknown, and the proportion of farms with more than 500 cows has doubled from 31.3% to 59.5% of the national herd. Less than half the farms with under 99 cows are still in business, so it is clear that there has been an impact on the small dairy farmer in the US. It is important that we conduct economic research into whether the same would happen in the EU.

Stephen Phillips: In the US, which is a much larger country, there is a minimum separation zone between these sorts of intensive farms and the nearest settlement. Does the hon. Gentleman agree that that is important? It may be one reason why these intensive dairy farms are not appropriate for many places in the UK.

Mr Bain: That is another excellent point, and it is why we must move with extreme care and ensure that we get the best evidence on animal welfare and on the economic impact on small farmers. I hope that the Minister can give us further information in his closing remarks on any impact assessment that DEFRA is conducting.

The UN Food and Agriculture Organisation said earlier this year that the global dairy sector contributes 4% to total global anthropogenic greenhouse gas emissions, and the share from global milk production is 2.7%. There is a balance to be struck between the need to reduce greenhouse gas emissions, which taking more cows inside and using anaerobic digestion more may diminish, and the wider arguments on animal welfare. Some concerns have been expressed by Compassion in World Farming, for example; it said that excessive intensification could lead to growing incidences of lameness, mastitis and other illnesses affecting cattle.

However, some advantages of intensification have been identified, which we must properly evaluate and not rule out. For example, the FAWC has said:

> "In general, management of dairy cows that are housed all year round is easier for the farmer".

It goes on to say that housing cows all year round allows for more effective control over feed composition and for diets that are targetable to specific groups. There is also a reduced risk of parasitic infestation and greater biosecurity. It is clear that there is no consensus on whether intensification is intrinsically bad, which is why we need further economic and scientific research to explore the issues more fully.

There have been extreme swings in the market in recent years, particularly in EU milk prices. Indeed, the Commission had to produce a package of support in 2009 to support dairy farmers in the UK and across the EU. In the discussions on CAP reform, which we hope will be concluded by 2013, there needs to be a longer-term settlement that will put the dairy industry, across the EU, on a surer footing. I hope the Minister can indicate the position that the Government will take on dairy farming in those negotiations.

This is an extremely controversial issue. The planning application for Nocton in itself raises important matters, but I think the wider debate we need to have about the three principles is more important—animal welfare, greenhouse gas emissions and correcting the problems in the dairy market. I hope the Minister can set out the Government's position on all three in his concluding remarks.

12.18 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I am grateful to be serving under your chairmanship for, I think, the first time, Mr Leigh. I start obviously, but genuinely, by thanking my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) for securing the debate. He feels strongly about this issue, which is obviously precipitated by his constituency. It is a matter of great concern, as we all understand and has been demonstrated in the Chamber this morning. I have received countless letters and e-mails from people all over the country expressing concern, as I am sure other Members have.

If I may, I shall make a slightly provocative statement. For the past 30 years or so, all political parties and consumer organisations have called for the dismantling of agricultural protection, in whatever form it took, and for a move to a market-based system, because the consumer pays too much for food under protectionist systems. We have moved a long way in that direction over the past few years, and the debate today is the consequence of that move.

What we have heard in the debate is almost a plea to go backwards. We have heard that consumers would pay a bit more for their milk to protect farmers, but that is a bit like the letters we get from people who say they would rather pay more tax than have the funding to their children's school cut. However, the reality, as we all know, is that they will not pay more tax if they are given the option, and I am afraid that it is the same with dairy farming.

My hon. Friend the Member for North Thanet (Mr Gale) referred absolutely rightly to what happened after we banned veal crates, and the same applied with sow stalls, when the pig industry was decimated. We simply exported those standards. Units in the pig and poultry industries have become larger, with fewer individual proprietors, and concern has been expressed that milk will go the same way.

The reality, of course, is that we have imported pig meat, veal and other commodities from other countries because it is cheaper to produce it abroad. As my hon. Friend made absolutely clear, that is what consumers wanted. The only protection against that is not to raise our standards or to instigate some form of import control, which, as we all know, is illegal under European law and the World Trade Organisation.

Neil Parish: I do not believe that we want to go backwards, but this proposal wants to go forwards too fast. It will see off too many medium-sized farmers who can make a good living. That is my point.

Mr Paice: I understand my hon. Friend's point, and I will try to pick it up, although I will obviously not be able to respond to all the important points that my hon. Friends and the hon. Member for Glasgow North East (Mr Bain) have made.

There has been a bit of a battle for credibility between some of my hon. Friends as to who first milked cows. If I might join in, it is about 44 years since I first milked cows. In those days—we can all say "in those days"—most dairy herds were in the 20-to-30 cow bracket, and 100 was a massive herd. If we had had a debate about mega-dairies in those days, we would have been talking about 100 cows.

The average herd in England is now 113 cows. There are lots of herds with more than 500 cows; one has 2,000 cows and several have more than 1,000 cows. The world has moved on, and no Government of any colour—we have obviously had all shades over the past 44 years—have blown the whistle and said, "This is too big."

Zac Goldsmith: The Minister is right to have identified, as others have, the perverse European rules that force us into a situation where our farmers are out-competed by farmers importing substandard products from elsewhere in Europe. Before the election, the Prime Minister pledged to challenge those rules, and my question is simply whether the Government still have any appetite to do so on behalf of our farmers and food security groups. It would be welcomed by farmers across the board if that pledge was fulfilled.

Mr Paice: Without wishing to duck that question, I should say that trade issues are, as my hon. Friend is well aware, a matter for my right hon. Friend the Secretary of State for Business, Innovation and Skills. Obviously, however, we would wish to pursue as best we can commitments made by the Prime Minister before the election.

Let me move on to the point about competition in the domestic market and about supermarkets, which all my hon. Friends have raised in various ways. First, let me reaffirm that the Government are committed to introducing legislation to bring in the supermarket code adjudicator. We will call it an adjudicator because, compared with existing ombudsmen, it is not strictly an ombudsman.

I urge those of my hon. Friends who share my view that the sooner we introduce the adjudicator the better, to press the Secretary of State for Business, Innovation and Skills because this is his legislation. We will proceed as quickly as possible, but we need to be absolutely honest with ourselves and with farmers that this proposal will not in itself lead to a price rise; it is about ensuring that we have fair and transparent terms of trade and about enforcing the code, which has been in operation since February. We must not be accused of misleading people into thinking that the adjudicator will somehow make everything all right.

My hon. Friends said a lot about supermarkets, so I will not go further into that issue. However, we also need to look at processors. As my hon. Friend the Member for Tiverton and Honiton (Neil Parish) said, certain processors have massively bid for contracts to process and bottle for supermarkets. They then pass on to the producers the results of what is, in many ways, over-bidding. We are now in the absurd situation where the farm-gate price paid for milk that goes into liquid products or relatively high-value cheese products is lower than that which people could afford to pay if they were going to convert that milk into skimmed milk powder, which is the lowest-priced global commodity—although, even then, the global price for the raw milk is about 27p or 28p a litre.

The Government are, of course, committed to the concept of free trade and open markets, and the Opposition probably largely share that fundamental belief. We do not believe in interfering in how business operates, but it behoves business to operate a fair market arrangement.

I cannot stand here and say that the Government will never intervene if we clearly see unfair practices going on. We hope that the adjudicator will resolve all that, but let me make it clear to the dairy processing and retail sectors that it behoves them to operate a fair market. They must recognise that if they do not, we will, as hon. Members have frequently said, lose the British dairy industry, whatever the type of housing, to overseas competitors. The result will be ever-more volatile prices.

Chris Skidmore (Kingswood) (Con): Will the Minister give way?

Mr Paice: I am sorry, but I cannot give way any more.

People would not have the cheap liquid milk that they want, because, as we all know, importing liquid milk is always expensive given its bulk cost. As a result, therefore, business will find that it is operating against consumer interests in the long term.

That reminds me of the point that my hon. Friend the Member for Richmond Park (Zac Goldsmith) made about imports and exports. He is right about the figures for liquid milk, but virtually all our liquid milk exports actually go over the Irish border, from Northern Ireland to southern Ireland, where they are made into cheese before coming back into the UK market.

Overall, our dairy market is massively reliant on imports of dairy products, which is why I personally believe—there is no strong evidence one way or the other—that the fear that a mega-dairy will destroy smaller dairy farmers is not necessarily justified. There is huge scope in this country to improve and expand our dairy industry. With the exception of Ireland, we grow the best grass anywhere in Europe, and we should be competitive. It is my job to try to create that competitiveness.

I am clearly running short of time, and I cannot respond to all the points that have been made. However, as my hon. and learned Friend opened the debate, I must emphasise that, as has frequently been said, I have no powers to intervene in any application. Issues to do with traffic, pollution and noise are for the local council to consider. My hon. Friend the Member for Richmond Park talked about my using my influence on the Secretary of State if an application went to appeal, but that would be seen as illegal and would be wide open to judicial challenge, so I am afraid that I cannot accept that invitation, much as I might wish to.

[Mr Paice]

In conclusion, the Government understand the great public concern about this issue and about the changes to cattle—a lot of genetic improvement has taken place—and we accept, as the hon. Member for Glasgow North East said, that there is a need for research. That is why we have commissioned research—the previous Government commissioned some of it, and we are very happy with that—from the Scottish Agricultural College on improving the robustness and welfare of cows through the development of breeding indices, as well as a further study on the management and welfare of continuously housed cows.

If those studies demonstrate that the Government need to act on welfare codes, or in any other way, we will, of course, have to consider that, but I do not wish to pre-empt the conclusions of those studies. The Government believe in being led by scientific evidence; we will examine those research studies when they come out and we will act if necessary. I am grateful to my hon. and learned Friend for giving me the opportunity to discuss this matter.

Early Years Education

12.30 pm

Ann Coffey (Stockport) (Lab): It is a pleasure to serve under your chairmanship, Mr Leigh.

There is now almost universal agreement in the House that early years education improves children's outcomes in school and beyond. I want to focus today on the take-up of the entitlement to 15 hours a week of free early years education for three and four-year-olds, and to stress how important it is that all children should benefit from it. Currently about 8% of three and four-year-olds do not take up their free entitlement. Figures show that children who do not receive early years education are significantly more likely to be from non-working and lower-income families.

The free places were introduced as part of a strategy to improve child outcomes, as an abundance of research has shown that attendance at high-quality settings is linked to improved outcomes, both at the time of attending and later in life. That, too, was a central message in the recent independent review of poverty and life chances by my right hon. Friend the Member for Birkenhead (Mr Field), who said that the first five years of a child's life were the most important. The Prime Minister agreed, and wrote to him that the foundation years

"are the critical ones in terms of promoting a fairer and more mobile society".

In short, we all agree that early years education can make a difference to outcomes, and that it has the potential to reduce inequalities.

In January 2010, according to the Department for Education, the number of three-year-olds benefiting from some free early education at maintained schools or in the private, voluntary or independent sector was 584,200—or 92% of the three-year-old population. However, close analysis of the figures shows that the take-up of early years education remains lower among non-working and low-income families, some ethnic groups and families living in more deprived areas, who, I would argue, are precisely the children who would benefit from it most.

The child care and early years survey of parents 2008 showed that uptake of free early education for three and four-year-olds was highest, at 90%, among couple families where both parents were working. The figure for working single parents was 88%. By far the lowest take-up was in couple families where neither parent was working, where the figure was 79%, and among lone parents who were out of work, where it was 76%. That pattern roughly accords with figures that I have obtained locally.

In Stockport, the average take-up of places by three and four-year-olds is 96%, which is above the national average, but in the two most deprived areas of my constituency the take-up figures are lower. In Brinnington the take-up is 92.7% and in Lancashire Hill it is 84%. I believe that the Brinnington figure is higher because it is a more settled community, has a higher working population, and has had the benefit of one of the first children's centres in the country, whereas Lancashire Hill has lower levels of employment and the population is more unsettled and transient. Although those figures are higher than the national average they are still cause for concern, because it is extremely important that children from the most deprived families should take up their

places. Research shows that that increases educational opportunities in life and means those concerned are less likely to fail in later years. It also means that the state needs to spend less money later to pick up the costs of that failure.

Improving take-up of early years education for the most disadvantaged families is crucial. Perhaps some lessons can be learned from the experience of the pilots of free nursery places providing high-quality learning for the most disadvantaged 15% of two-year-olds, which the Labour Government introduced. I welcome the fact that the coalition Government have announced that they will continue that offer, and plan to put their commitment into legislation by 2013. In a written statement yesterday, the Secretary of State for Education referred to the commitment to

"extending free early education with an entitlement for disadvantaged two year olds from 2013"

with funding of £64 million in 2011-12 and £223 million in 2012-13. That will be part of the early intervention grant, which is for early interventions across all the age ranges. The early intervention grant is not ring-fenced. However, in the statement, the Secretary of State said:

"Against the background of greater flexibility to decide priorities locally, there are key areas of early intervention where the Government are ensuring that the overall grant provides support". —[*Official Report*, 13 December 2010; Vol. 520, c. 68WS.]

One of the key areas is two-year-olds; indeed, specific funding was announced in the statement, together with children's centres and short breaks for disabled children.

Will the Minister confirm that that is ring-fenced funding? If it is not, will he confirm that the continuation of the current offer for two-year-olds until there is an entitlement in law, in 2013, will be determined by local authorities? As the Secretary of State has announced that the early interventions grant will be 10.9% lower, in 2011-12, than the aggregated funding through predecessor grants, is the Minister confident that local authorities will continue to fund the offer for two-year-olds when there will also be pressure to fund services to young and vulnerable adults? Coincidentally, those are the same disadvantaged young adults whose life chances would have been much improved by early education. If the distribution of all the early intervention grant will be at local authorities' discretion, what monitoring will the Department do to ensure that there is provision in all local authorities?

Stockport participated in the pilot for two-year-olds, which has been very successful. I believe that that is one of the reasons the take-up of the free entitlement for three and four-year-olds in Stockport is above the national average. Some of that success could be copied and transferred to help to increase the uptake by three to four-year-olds nationally. I maintain that in Stockport take-up has been high because of the nature of the proactive work that has been done in engaging families and children in the pilot for two-year-olds. In addition to high-quality places for 10 hours a week over 38 weeks, Stockport families were given access to strong family support. Although it was not a condition attached to a place, families were actively encouraged to participate in home learning support, or wider parental support. I hope that the Government's offer for two-year-olds will involve such additional family support, which is vital. As part of the Stockport pilot parents were encouraged to ensure that they obtained an appropriate place for the free entitlement to 15 hours that their child would gain on turning three.

Stockport's project for two-year-olds was successful also because of strong commitment from all partners. I pay tribute to Vicki Packman, from Stockport's children and young people's directorate, and her team, for their incredible enthusiasm and commitment to early years education in Stockport. The Stockport pilot had a data-driven approach, with a clear focus on early intervention and prevention, and family support. Allocation of places was by a multi-agency panel. It built on strong, existing universal and targeted outreach networks. Those teams took a holistic approach to the identification of support needs, and used their professional experience and judgment to refer appropriate families to the panel. They also helped to engage directly a number of hard-to-reach groups. A brokerage service offered by Stockport's family information service was a key feature. It provided a key contact for parents, some of whom needed extra encouragement, support and advice, and offered home visits to explain the options to the family. In that way the service developed a trusted relationship with parents and carers. An initial visit to the setting was set up for the family and their support worker could attend. Those relationships, formed at an early stage, were crucial to the success of the placement and the project. It is interesting that that brokerage service ensured a very low drop-out rate. Only two children out of 117 left the project, and that was because both moved away from the area. Those figures are truly excellent.

It was very important that those disadvantaged two-year-olds had such a positive experience outside the home, as a proportion would have been on the child protection register, or the family would have experienced recent domestic abuse, or substance misuse in the previous 12 months. There are lessons to be learned, and the success needs to be transferred to encourage the families of three to four-year-olds who receive no early years education to get their children to attend and benefit from the free sessions to which they are entitled.

Kate Wood, the co-ordinator of the Two Year Old pilot project in Stockport explains things perfectly. She said:

"The Two Year Old Pilot Project is giving support to families who need it early on, before challenges become unmanageable. It is giving disadvantaged children a chance to learn and develop with new experiences outside of the home in a positive and social environment and it is giving families a chance to access other activities and services. We hope that these children will be more ready to access their free hours at three and to start school at five and will have the same opportunity to achieve as their peers."

That is what we want for all those children who have difficult lives: an opportunity for them to learn, develop and have experiences outside the home, which will enable them to cope better and achieve when they start school. There is a variety of reasons why parents say they do not take up their free entitlement. Some parents simply want to look after their own children, but others will lead too chaotic a life and find it too challenging to get their children to the nursery on a regular basis, and we need to help them.

The Department for Children, Families and Schools 2008 survey asked parents who said that their children were not receiving free entitlement whether they were aware that the Government paid for some hours per

[Ann Coffey]

week of nursery education for three and four-year-olds. Only 61% of those parents said they were aware of the scheme. Will the Minister tell me what plans he has to raise the level of awareness and improve the quality and accessibility of information about free early years education?

When parents were asked where they got their information about child care, the most frequently mentioned source was word of mouth, 41%; followed by school, 18%; local authority was mentioned by 10%; and families' information services by 8%. Parents also mentioned local advertising, 8%; and health visitors, 6%. Lower income families are more likely than higher income families to mention health visitors or doctors' surgeries as their sources of information. That suggests that health services may be a particularly good way to provide these groups with information about child care and early years education. Will the Minister, therefore, consider specific plans to use health services to provide disadvantaged groups with early years information?

The 2008 child care and early years survey of parents revealed that families living in deprived areas were less positive about the quality of child care provision than those in affluent areas. That is interesting as, according to the latest 2009 Ofsted report, the quality of early years provision is lower in areas of higher deprivation: the more deprived the area, the lower the number of good and outstanding providers. That raises the possibility that parental perceptions may reflect real geographical variations in quality. Of course, only settings assessed by Ofsted as "good" or "outstanding" were allowed to be used in the pilots for two-year-olds. I hope that in future, standards of settings will still be important criteria. It is vital that the quality of early years education is as good in deprived areas as it is in others.

In some instances, local authorities can also deliver the free entitlement through child minders, who have to be part of a child-minding network and accredited. For example, if a child has specialist needs and requires a higher level of one-to-one care, or a family needs flexible hours to fit in with a particular situation such as shift work, helping to match those families' needs to a particular type of child care may help to improve the take-up of the free entitlement.

As I said, the clear message from the Stockport pilot was the success of the amount of support work with families. Offering places is not enough. I suggest to the Minister that perhaps one way forward is for the Government's pupil premium, which recognises disadvantage, to be introduced earlier for three and four-year-olds, enabling that work to be done with disadvantaged families. That would enable local authorities to intervene earlier and work with families at the earliest possible stage. Although it would cost money now, it would save money in the long run. It would also help to target those children who are not classed as the 15% most deprived, and so would not have benefited from the offer regarding two-year-olds, but who are still disadvantaged and are not taking up places for three-year-olds.

The report by my right hon. Friend the Member for Birkenhead, endorsed by the Prime Minister, said that we must ensure that today's poor children do not become tomorrow's poor adults. He said:

"Later interventions to help poorly performing children can be effective but, in general, the most effective and cost-effective way to help and support young families is in the earliest years of a child's life."

I agree: we must not allow cycles of deprivation and failure to be handed on from one generation to another. The only way to prevent that is to ensure that those children, who, through no fault of their own, are born into disadvantaged homes, are helped. One intervention that we can make is to ensure that all children who are entitled to these very important early years education places are given the opportunity to take them up.

I look forward to hearing the Minister's proposals and ideas to ensure that all disadvantaged three and four-year-old children, who do not currently take up their free early years entitlement, are actively encouraged to do so.

12.45 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I congratulate the hon. Member for Stockport (Ann Coffey) on securing the time for this important debate. I agree with the vast majority of everything she has said. As she knows, I had the opportunity to go to Stockport in October when I spent a week as a social worker on the front line. I also visited some schools in a child protection context. I saw the excellent services and dedicated professionals that she has in her authority. I applaud the trailblazing in many areas dealing with children in Stockport, to which she alluded.

The hon. Lady raised a couple of specific questions to which I will respond, and made one point about extending the pupil premium. I am delighted that she has embraced the pupil premium so early. It is very early days to say how we might extend or adapt it, given that the details were announced only yesterday. I will take that on board, but I do not think we will be adapting it straight away. She makes a fair point: to ensure that it is useful as early as possible for all the reasons she mentioned.

The provision of free early education is an area where we have broad cross-party agreement, perhaps because the case for investing in the early years has never been more compelling. This debate is timely: yesterday we announced details of the new early intervention grant that brings together funding for universal as well as specialist services, and will be worth £2.212 billion in 2011-12 and £2.297 billion in 2012-13.

Local authorities have built up considerable expertise and experience in the early years. They understand the impact that Sure Start children's centres have on communities, and they have shown considerable commitment to raising the quality of early years settings. It is that experience that gives me confidence that local authorities are best placed to decide what is best for the families in their communities. The early intervention grant will give local authorities the freedom and flexibility to do that.

Early education is at the heart of our vision to support disadvantaged families. We know, as the hon. Lady says, that it improves children's school readiness and longer-term cognitive and social development, which can especially benefit the most disadvantaged, helping to improve social mobility and break out of inter-generational cycles of poverty. The recent review on

poverty and life chances published by the right hon. Member for Birkenhead (Mr Field), mentioned by the hon. Lady, underlined the importance of investing in the early years, and ensuring young children are not disadvantaged from birth. The review by the hon. Member for Nottingham North (Mr Allen) into how early intervention programmes can improve the lives of vulnerable children is continuing and doing valuable work.

Although more five-year-olds are achieving well, there is still a 14% achievement gap between those in the most disadvantaged areas and the rest. We need to close that gap. While 95% of children are benefiting from free early education, as the hon. Lady mentioned, among the 5% not currently taking up free places are children from lower income families, those whose mothers do not work, and children from families experiencing multiple disadvantage. The hon. Lady also mentioned families from BME backgrounds and others. She is absolutely right to ask how we can raise the level of awareness and promote the information. Having given a commitment to that 15-hour offer for three and four-year-olds, and having now brought in that additional offer for the most disadvantaged families for two-year-olds as well, it is key that we make it work and ensure that we access the families at which it is most targeted.

Local authorities have a statutory duty to provide information to parents about early education, and we must ensure that they are living up to that. I also believe there is a greater role for Sure Start children's centres to promote and reach out, particularly to support disadvantaged families more effectively. The hon. Lady also mentioned health visitors. We propose increasing the number of health visitors working out of Sure Start children's centres by 4,200. They will be going across the threshold before birth, and intensively after birth. They will work particularly with new parents, to check on their parenting skills, to give them support in those early days and to make them aware of what other services are available. That will include the free entitlement. The hon. Lady is right to say that we need to promote it more.

As an example—I have discussed this with the hon. Lady—I visited a family in Stockport. They were in desperate circumstances, living in a run-down house with hardly any furniture and no carpets, and literally no food. There were four sons under the age of 12, from three fathers, and a loving but rather inadequate mother. I visited the house with a very good social worker, who had been working intensively with the family. The social worker and various other professionals had been in and out of that house, but still things were not right. I asked why those children had not been taken into care, although doing so would raise all sorts of other problems. However inadequate, that mother doted on her four young boys. However inadequate, those four young boys doted on their mother; they relied on her and needed to stay with her. If they had gone into care, I fear that the family would have been split up, with all sorts of ramifications.

What struck me more than anything is that the mother needed almost to be taken by the arm and marched down to the children's centre to be told about good parenting skills—let alone, if it had been earlier, about the free entitlement to ensure that her kids were getting good quality care in the nursery—and marched down to the supermarket to be told what sort of food she should be buying for her children. There is scope for social workers working with such families, with health visitors becoming involved earlier and with children's centres helping to promote the scheme. The hon. Lady was right to mention it. Our aim is to intervene early in order to close the gaps that I have mentioned and to ensure that every child has a fair chance of succeeding. We want to focus particular support on those disadvantaged families that can benefit most. There are a number of ways in which we propose doing so.

First, all families value choice and flexibility, yet we know that disadvantaged families have less choice of provider and are more likely to cite lack of availability of free places as a reason for not taking up their entitlement. We are working with providers to explore ways of reducing the administrative burden and making it easier to establish business, particularly in disadvantaged areas. We will consolidate and substantially reduce the 200 pages of early-education guidance to local authorities, to help free up local early years markets.

Local authorities will be able to encourage new forms of provision. The Localism Bill, which was published yesterday, will give people new rights to bid to run local services. We seek to identify a national organisation that will be able to equip providers with the skills needed to run their businesses more effectively. The national implementation of the early years single funding formula will ensure that local funding decisions are more transparent. We will use the forthcoming education Bill to clarify the position of maintained nursery schools and other nurseries in schools in being able to charge for additional nursery education beyond the free 15 hours, to help increase choice for parents.

Secondly, despite an extremely difficult fiscal position, we have fulfilled the commitment that we made to early education in our programme for government, by retaining a universal entitlement to 15 hours of free education a week for all three and four-year-olds, as I mentioned earlier. We did so not only because it was the right thing to do but because evidence shows that nursery education that is free at the point of delivery is the best way to ensure that disadvantaged families do not face barriers when trying to access it. Indeed, the experience of the pathfinder local authorities shows that the increased time and the increased flexibilities that come with it have been successful in attracting more families. On average, 2% more three-year-olds accessed their free place for the first time; and those families who previously did not take full advantage of it increased the number of hours that they took by 1.8%.

From April, we will ensure through regulation that all local authorities include a deprivation supplement in their early years single funding formula, which will mean that all disadvantaged children will attract a higher level of funding. As a result, money will be provided for those children who need it most, as well as incentivising providers to offer free places to those families. When children start school, the pupil premium will follow them from reception year onwards, and as I said earlier we will consider whether it should be extended to nursery education over time.

Thirdly, all the evidence shows that only quality provision can have a real impact for young people. We want to work with local authorities and providers in supporting it, and we will focus relentlessly on ensuring that all children are able to access their free provision in a quality setting. Central to a quality setting is a quality work force. We are committed by March to announcing

[Tim Loughton]

a strategy to improve the quality of the early years work force and the development of a new generation of leaders for that sector. Local authorities such as Stockport are experienced in offering free places for two, three and four-year-olds, and they understand well the connection between quality and the outcome for children. I anticipate that they will want to draw on this expertise when making decisions about places.

Finally, despite the extremely challenging fiscal position, we have been able to commit ourselves to extending free nursery education to all disadvantaged two-year-olds by 2013. By getting this support earlier to those families that will benefit most from it, we are confident that it will help to increase participation at the ages of three and four. Local authorities like Stockport have shown that starting even earlier can have a significant and positive impact on language ability and on the parent-child relationship. The expansion will start quickly. Subject to the approval of Parliament, measures in the education Bill will enable Ministers to introduce an entitlement to 15 hours of free provision a week for all disadvantaged two-year-olds.

In response to the hon. Lady's concern about funding, I am happy to confirm that we will provide £64 million next year to enable local authorities to continue funding places for two-year-olds. In addition, the Department has set aside £4 million for 2011-12 to trial new approaches to delivering the entitlement. Although funding for the early intervention grant is not ring-fenced, and although decisions will be made locally, there will be a statutory entitlement for two-year-olds to access this education from 2013. Extending entitlement to disadvantaged two-year-olds is a key strategy for increasing take-up at the age of three. Total funding will rise to £223 million in 2012-13 to enable local authorities to build towards that entitlement. Funding will rise further, with an additional £300 million by 2014-15.

The lessons learned from the two-year-old pilot will be central to that expansion. Outreach will be critical. As shown in Stockport, the most disadvantaged families are far less likely to pick up the phone and ask, or to turn up at children's centres. The pilots showed that the most effective way to engage families was to go out and find them, knock on their doors and then support them into a setting. We want Sure Start children's centres to play a prominent role in this work, helping to ensure that the most challenged families take advantage of the free entitlements, alongside other family support. Taken together, we know that they can make a huge difference to children's outcomes.

Our reforms place early education squarely at the centre of the Government's efforts to combat child poverty and increase social mobility. This week's announcement on the early intervention grant will have started the process of spending reviews in local authorities across the country. The strength and growing maturity of the sector means that it is well placed for the next stage. Early years professionals will be able to take part in these reviews confident in the knowledge that they have the full backing of the Government; confident that, in local authority members and officers, they have an audience that recognises their achievements and is proud of them; and confident, above all, that what they do really works.

I am enormously grateful for the support that the hon. Lady has given to this agenda today. She has raised some important concerns, and I hope that she is happy that the Government echo them. The steps that we have taken underline the importance of early education in getting the most disadvantaged members of society to gain access to early years education for their children. The Government have made a substantial financial commitment. We wish to ensure that it is taken up and that it works, because it is the right thing to do.

Sentencing (Green Paper)

12.58 pm

Mr Philip Hollobone (Kettering) (Con): It is a pleasure to serve under your chairmanship, Mr Leigh. I thank Mr Speaker for being kind enough to grant me a debate on the Green Paper entitled "Breaking the cycle: effective punishment, rehabilitation and sentencing of offenders".

Crime and the punishment of criminals is important for my constituents. Although I appreciate the Government's good intentions, I am not sure that the Green Paper hits the appropriate nails on the head. Importantly, it says some constructive and helpful things. For example, it says that prisons should become places of hard work and industry and that community sentences should punish offenders and make them pay back to society and the taxpayer. It wants offenders to make a greater financial reparation to victims and the taxpayer, and victims to engage with the criminal justice system on their own terms. It would also like offenders to get off drugs for good and to pay their way in prison, and to prevent young people from offending.

Although the Green Paper contains laudable aims, the mood music behind it does not hit the right notes for my constituents, who believe that there is a proper place in society for prison and that prison works. Prison did not work as effectively as it might under the previous Government, largely because far too many prisoners lived in overcrowded conditions and far too many sentences were too short. Basically, my constituents are of the view that prison works when it is managed properly.

Neil Carmichael (Stroud) (Con): I welcome this opportunity to say what my constituents think, which is, of course, that they want law and order. They recognise that the prison system is there to deal with the worst offenders. Surely it is right that we tackle reoffending, which is one of the key thrusts of the Green Paper. Does my hon. Friend not agree that the Secretary of State for Justice has outlined a strategy that is consistent with that objective?

Mr Hollobone: No, I do not agree with my hon. Friend. Yes, it is right that reoffending rates are far too high and that we face a real problem in tackling them. None the less, when prison works effectively, it reduces reoffending rates, and I shall come back to that later.

Neil Carmichael: We have twice as many people in prison as the French. Do you think that we are twice as naughty or that our system is not quite good enough?

Mr Edward Leigh (in the Chair): Order. I do not think anything. You must refer to the hon. Gentleman.

Neil Carmichael: My apologies.

Mr Hollobone: I am grateful for that intervention. I have some statistics that I shall use later about how we do not have enough people in prison in this country, which relates to the point that my hon. Friend has just made.

Rehman Chishti (Gillingham and Rainham) (Con): Does my hon. Friend not agree that we have to look at overall sentencing in three respects—punishment, rehabilitation and deterrence? Given what the previous 13 years have left us, I completely agree with him—criminals have had it far too easy in prison. The Government's payback proposals will ensure that prisoners go out and work. When a compensation order is passed in court, they will no longer be able to say, "We haven't got the money; we are on welfare." The Secretary of State's proposal will ensure that they have to work, earn their keep and pay back the money. That must be a good thing.

Mr Hollobone: My hon. Friend is right about that, but prisoners need to work more in prison. On page 9 of the Green Paper, I am pleased to see the coalition Government say:

> "Prisoners will increasingly face the tough discipline of regular working hours. This has been lacking in prison regimes for too long."

I say, "Hear, hear" to that.

Neil Carmichael: The Secretary of State for Justice has indicated that that is one of his intentions. I have also taken him to Stroud where we looked at a payback scheme, which was highly effective. He spoke to people there and he got the impression, as we all did, that the scheme was definitely working. Does my hon. Friend agree that that type of scheme should be pursued?

Mr Hollobone: It should be pursued, yes, but not for persistent and prolific offenders. Far too many nasty people commit all sorts of horrible crimes and never find themselves in prison. On page 6 of the Green Paper, the coalition Government say:

> "Recent evidence suggests there is a group of around 16,000 active offenders at any one time, who each have over 75 previous convictions".

The document goes on:

> "On average they have been to prison 14 times, usually for less than 12 months, with nine community sentences and 10 fines."

Prison works but only when people are sent to prison for an appropriate amount of time. It is clear to all of us that short prison sentences do not work. My solution is to send these very nasty 16,000 people to prison for longer so that they can be rehabilitated before being let out into the community.

Rehman Chishti: With regard to short sentences, is it not the case that a prisoner who is on six months will do three months and be transferred from one prison to another and then another? Therefore, there is no effective rehabilitation within the system. If the prisoner stays in one prison, he will have management and structure rather than being pushed from one prison to another. Does my hon. Friend not agree that that must be changed?

Mr Hollobone: That is an excellent point with which I entirely agree.

Anna Soubry (Broxtowe) (Con): Does my hon. Friend not agree that there is a danger in just looking at statistics, in that we do not know or understand the level of criminality that lies behind them? If we look at the figures and then the length of sentences, we can see that they refer to prolific, but low-level offenders. The Green Paper seeks to address the situation of those

[Anna Soubry]

criminals who are not the serious criminals—serious criminals will continue to be sent to prison for a long time. This is about short-term sentences of under 18 months. That is why I commend the Green Paper—or I will do in due course—to the House and to my hon. Friend.

Mr Hollobone: I disagree with my hon. Friend. I understand that we are not talking about serious offences. None the less, it is very serious to my constituents that someone can be convicted 75 times. That person is very nasty and is committing lots of very low-level crimes and they deserve to spend a long time in prison.

Anna Soubry: Let us take that example. That could be someone who is, for example, committing shop thefts on a regular basis. The maximum sentence for something such as that would be around 12 months at the most, or 18 months if they were very unfortunate. This is a persistent but very low-level offender. Clearly, in the example that my hon. Friend puts forward, prison is not working, because the person keeps on committing crimes and keeps on going back to prison. It is to end that revolving door that we are doing the things that have been laid out in the Green Paper. That person is not necessarily a nasty person; they are not violent otherwise they would go away for a lot longer. Those who steal from shops are exactly the sort of people we are addressing.

Mr Edward Leigh (in the Chair): Order. Interventions should be shorter.

Mr Hollobone: I am sorry, but that person is a nasty person. Just because someone is not violent does not mean that they are not nasty. I contend that the reason that they are reoffending is that they never serve their sentence in full. Even if someone is sentenced to 18 months for shoplifting, no one in this country will ever serve such a sentence. They might be sentenced to that, but the chances are that they will be out reoffending within six months. My contention is that such people need to be in jail for at least a year to enable proper rehabilitation to take place.

Rehman Chishti: My hon. Friend is spot on in terms of what went on from April 2007 to April 2010 when some 80,000 prisoners were let out on early release. That was absolutely shocking. When a sentence is passed, we must ensure that it is fully complied with.

Mr Hollobone: My hon. Friend is absolutely right. The previous Government made an almighty mess of this. Even though I disagree with the main thrust of this Green Paper, I commend the coalition Government for taking an organised and proactive interest in trying to address this issue sensibly, which the previous Government did not do.

Mr Peter Bone (Wellingborough) (Con): My hon. Friend has been extremely generous in giving way. The fact that four Members have already contributed to this debate from the Back Benches shows how important the issue is. Prison officers came to my surgery and said, "What we need, Mr Bone, is not these short sentences of a year. We put them on community service for a couple of occasions, but when they come back the third time, we should put them away for five years so that they can get the proper training and education that they need in prison." What would my hon. Friend say to that?

Mr Hollobone: I would say that my hon. Friend is spot on. He has provided me with a helpful link to the next part of my speech which is about the length of sentences. In 2006, the Home Office report "Re-offending of adults" concluded that

> "re-offending rates are lower among offenders discharged from a custodial sentence of at least a year (49 per cent.) than among those discharged from a shorter custodial sentence (70 per cent.)...This suggests that custodial sentences of at least a year are more effective in reducing re-offending."

It is worth repeating those figures; prisoners with sentences of up to one year had a reoffending rate of 70%, while in the case of prisoners with sentences of more than two years the reoffending rate dropped to 49%. The report also showed that for people who had spent more than four years in prison, the reoffending rate was merely 35%. Looking at those figures, my constituents would say, "Well, that says to us that we need to put these nasty people behind bars for longer, so that they can be rehabilitated properly before being released and being at large again".

I also want to address this myth that we have too many people in prison in this country. In terms of absolute numbers, yes, we have a relatively high prison population, but we are a relatively highly populated country. If we look at the number of prisoners that we have for every 100,000 people, we are nearer the average but still quite high. However, the only meaningful measure of the size of the prison population is how many prisoners there are in relation to the number of crimes committed. On that measure, I would suggest that the evidence is startling—we do not have the highest prison population in the western world, but the lowest. Compared with the US, Canada, Australia and the EU as a whole, the UK has the lowest prison population of all. For every 1,000 crimes committed in the UK, we have approximately 13 prisoners, compared with approximately 15 in Canada and Australia, well over 20 for the EU as a whole and a whopping 166 in the US.

Mike Weatherley (Hove) (Con): Does my hon. Friend agree that sentencing and the number of people in prison should be determined by the sentences rather than the ability of the Government to house those prisoners, and that it is the responsibility of Government to ensure that suitable premises are available if sentences are passed?

Mr Hollobone: I very much agree with my hon. Friend. Frankly, it is a national scandal that we do not have enough prison capacity. When we have troops living in tents in theatre in Afghanistan receiving money per meal that is less than the money per meal provided for a prisoner in a UK jail, it is a disgrace that we are not making better use of the redundant military facilities that we have in this country to house a bigger prison population. With a bit of imagination and, frankly, some political backbone, we could achieve a lot more.

Mr Bone: That is the very point that I wanted to address today. My constituency neighbours my hon. Friend's and it contains Her Majesty's Prison Wellingborough, which now appears to be under threat of closure. HMP Wellingborough is under market testing. However, the market testing has been abandoned or put back. HMP Wellingborough has gone from being a rather poor prison to being the best category C prison in the east midlands. Does my hon. Friend agree that we should not be considering closing that type of prison?

Mr Hollobone: I agree with my hon. Friend. However, prison conditions are far too luxurious. I think that it is 1,500 prisoners who have Sky TV in their cells. I have lots of constituents in Kettering who cannot afford Sky TV. It is a scandal that prisoners receive a bigger allowance for their daily meals than our troops in Afghanistan. In many cases, prison accommodation is too comfortable.

On the other hand, I accept that when a prison is overcrowded it makes rehabilitation more difficult and it is appropriate that we have the right number of cells for the prisoners whom we need to house. However, there must be a limit on the quality of the accommodation on which we are currently spending lots of money.

The other point that I wanted to draw to the House's attention is the fact that the country with the lowest prison rate—the UK—has the highest crime rate. Is that a coincidence? I do not think so. We have more than 10,000 crimes for every 100,000 people. The country with the highest prison rate, which is the US, has the lowest crime rate; it has about 4,500 crimes for every 100,000 people. Canada, which is the country with the second lowest prison rate, has the second highest crime rate. The EU has the second highest prison rate and the second lowest crime rate. That is not a coincidence. My hon. Friend the Member for Shipley (Philip Davies) has done a lot of very good work in this House in highlighting these statistics, which I think blow apart this namby-pamby approach to having soft community sentences to tackle the behaviour of some very nasty people.

Rehman Chishti: I wanted to make a point with regard to community penalties. I have been at the criminal Bar and prosecuted and defended many cases. Is it not the case that the Green Paper should be welcomed, because community penalties will be tied in with greater use of curfew orders? We should give offenders hard work during the day, make sure that it is done and that it is hard work, but we must also ensure that their liberty on Friday and Saturday nights is completely curtailed, so that rather than have them committing crimes, going out until the early hours and making a nuisance of themselves, we should make greater use of curfew orders, which is what this Green Paper is all about.

Mr Hollobone: I agree with my hon. Friend that if we must have these community penalties, they need to be tough and unpleasant. Frankly, the gangs that I have seen taking part in these sort of activities have not been that disciplined, were not working that hard and I very much doubt the utility of the work that they were doing.

Neil Carmichael: Does my hon. Friend not recognise that the Lord Chancellor and Secretary of State for Justice has said that there is a place for prison, people should go to prison and that, if they have committed a serious crime, they should go to prison for a long time? We need to get this issue into perspective, because we are actually talking about reducing the prison population by 3,000 and not, as my hon. Friend suggested, about simply having a namby-pamby approach to prisons.

Mr Hollobone: Yes, but my contention is that there are some unpleasant people out there who will commit crime unless they are prevented from doing so by being put in prison. When half the crimes committed in this country are being committed by 10% of the offenders, those 10% of offenders do not need to be out there doing good works on the street; they need to be behind bars so that they cannot reoffend.

The concluding part of my remarks is that although I recognise the good intentions of the Ministry of Justice in trying to reduce reoffending—I do not doubt the Ministry's efforts in that regard—the obvious thing to do to reduce prison numbers is sort out the 11,500 foreign national prisoners in our jails. The number of such prisoners doubled under the previous Government.

I have raised this issue time and time again on the Floor of the House and frankly we are not getting very far. One of the countries that has a high number of its nationals as prisoners in our country is Nigeria. When I last looked at the figures, I saw that there were something like 752 Nigerian nationals in prison in our country. Effectively, we are paying £30 million a year for incarcerating those individuals. The Nigerian National Assembly has been looking at this issue since 2007. Why are we not hauling in the Nigerian ambassador or speaking to the Nigerian President to get this arrangement sorted out, because sending 752 Nigerians back to Nigeria would go a long way to freeing up the 3,000 prison places that my hon. Friend the Minister wants to find?

Rehman Chishti: I fully endorse what my hon. Friend has said with regard to foreign nationals. Linked to that point, what must change is the procedure that is applied to removal orders and the time that it takes for somebody to be removed from this country. At the moment, there is a disjointed approach and that must change, so that once someone has been through the courts, their removal must be swift.

Mr Hollobone: As usual, my hon. Friend is quite right. However, now we have the Prime Minister launching a campaign on the front page of the *Daily Mail* to say that repatriating foreign national prisoners is one of his top priorities. Please can we have a joined-up approach across this Government—across the Ministry of Justice, the Foreign Office and the Home Office—to ensure that we actually get these people back to their own countries? Then we will create the space in prison that we need to rehabilitate people properly, reduce the overall prison population if need be and stop people reoffending.

1.18 pm

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): I congratulate my hon. Friend the Member for Kettering (Mr Hollobone) on securing this debate on the Government's Green Paper "Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders", which my right hon. and learned Friend the Lord Chancellor and Secretary of State for Justice laid before Parliament last week.

[Mr Jonathan Djanogly]

Given the brevity of this debate, the many and varied contributions that we have had from hon. Members have all been very helpful and show the complexity of some of the issues that we are dealing with. The Green Paper's proposals are the initial conclusions of the wide-ranging assessment of rehabilitation and sentencing that we announced in our programme for government back in May. We are now consulting widely on the proposals set out in the Green Paper and this debate is a welcome opportunity to discuss some of those proposals.

I shall start with the point about foreign nationals that was made by my hon. Friend the Member for Kettering, and about which he has long been concerned. I can confirm that as we take forward the Green Paper proposals, we will consider what more we can do to reduce the number of foreign national offenders.

Foreign national prisoners make up 13% of the prison population, and the figure has doubled over the past 10 years. That is not an effective use of expensive prison places if foreign nationals could be removed from the country. There is, however, a balance to be struck. Foreign nationals who commit serious offences should be punished by prison sentences; victims of crime would expect nothing less. But when foreign national offenders do not need to be in prison, or when they could spend some of their prison terms in prisons in their own countries, we should do everything we can to ensure that they are not a burden on our prisons.

With that objective in mind, we are looking to expand prisoner transfer agreements with other countries, so that a prisoner can serve some of their sentence in their home country whenever possible. We are also looking to divert some foreign nationals—for example, those who commit immigration document offences—away from the criminal justice system altogether, if they agree to be removed from the United Kingdom. We are considering other options, and would very much welcome further ideas in response to the Green Paper.

My right hon. and learned Friend the Lord Chancellor made it clear last week that the current criminal justice system does not deliver what really matters. Society has a right to expect the system to protect it. We all expect offenders to be punished effectively, but we should also expect criminals to be reformed, so that when they finish their sentences they do not simply return to their life of crime and create more misery for victims.

Despite record spending, the criminal justice system falls short, in that about half of released offenders go on to reoffend within a year—and the reoffending rates for young people are even worse, with three quarters of offenders sentenced to youth custody reoffending within a year. Those high rates are unacceptable to this Government. If we do not prevent people, especially young people, from offending, they will become the prolific offenders of the next decade.

The Green Paper sets out how we propose to break that destructive cycle of crime and to ensure that offenders make amends to victims and communities for the harm that they have caused. That requires a radically different approach—a system that protects the public by punishing the guilty and reducing reoffending, makes offenders face up to their responsibilities and pay back to victims and society, and makes punishment hard work, both in prison and in the community.

My hon. Friend the Member for Kettering referred to the mood music of the Green Paper, so let me make it clear that prison is the right place for serious and dangerous offenders, and that we will ensure that sufficient prison places are always available. I shall come to the detail in due course, but we do not propose in the Green Paper to reduce the ability of any sentencer to send a serious offender to prison, nor do we propose to introduce, as the previous Government did, any new early-release schemes.

We want offenders to be suitably punished for their crimes. Through both the tough discipline of regular working hours in prison, and more strenuous and demanding work in the community, we aim to ensure that offenders work hard and that there is greater use of tough curfew requirements.

We want prisons to be places where offenders learn about the life of work and about the routine of getting up in the morning and doing a full day's meaningful work. Too many offenders lead chaotic lives, and too many of them have never done a day's work. By giving offenders the experience of work, we can put order into their lives, better prepare them for life outside prison, increase their job prospects and reduce the likelihood of their reoffending.

We also want offenders to pay back to their victims. The Green Paper includes proposals for increased reparation to victims through a greater use of restorative justice, under which an offender can make good the wrong he has imposed on others. We want restorative justice to be victim-led and not offender-led. Restorative justice can benefit both parties. It can provide reparation to victims and help offenders face up to the realities of their crime and its impact on victims—and, as a result, prevent them from offending in future.

We also want to implement the Prisoners' Earnings Act 1996 to ensure that more offenders directly compensate the victims of crime through deductions in prisoners' wages. For lower-level offences, we want to increase the use of fines and compensation orders, so that offenders make greater financial reparation to both victims and the taxpayer. An increased use of compensation orders would mean that more victims would receive financial compensation directly from the offender.

We also want to take a new approach to offender rehabilitation, getting more offenders off benefits and into honest work. That is partly about the routine of work, but crucially it is about taking action to get offenders off drugs so as to break the cycle of offending to feed a drug habit. The Government are committed to rehabilitating offenders from drug dependency to drug-free lives. We want prisons to be places where offenders tackle their drug misuse, not places where their problems get worse, and we are therefore working on preventing drugs from getting into prisons. We are also working with the Department of Health to reshape drug treatment. Within prisons, we will pilot recovery wings, which will link more effectively with community services, and we will focus more on supporting offenders to be drug free.

We also want to look at the number of offenders in prison who suffer from a mental illness. For some people with mental health issues, prison is simply not an appropriate place. In some cases, better outcomes can be achieved by diverting low-level offenders into intensive treatment for mental health problems in the community. We are working with both the Department

of Health and the Home Office to ensure that front-line services identify such people. We have proposals to create a more effective and robust community sentence, with greater flexibility for the provisions of mental health requirements. If we can get treatment right, we can help to reduce offending.

The Green Paper signals a transformation in rehabilitation financing and delivery. Significant amounts of public money have been spent on trying to rehabilitate offenders, without properly holding services to account for their results. We will reward independent providers for achieving a reduction in reoffending, and will pay for that with the savings that they generate within the criminal justice system. We will introduce more competition across offender management services, to drive up standards and deliver value for money for the taxpayer. We will increase the freedom for public service providers and front-line professionals to innovate in their work with offenders. The payment-by-results system will be trialled in at least six new projects over the next two years, and the principles will be fully rolled out by 2015.

I turn now to sentencing, which is an issue that my hon. Friend the Member for Kettering mentioned. We know that a sentencing framework must provide courts with a range of options for punishing and rehabilitating offenders and protecting the public. The problem is that the current framework has been developed in an ad hoc fashion over the past 10 years, leaving it overly complex and difficult to administer. We should not underestimate how complex the law has become. The Court of Appeal spends a significant amount of time on cases in which sentencing law is unclear. If the law is often difficult for judges to understand, it is not surprising that the public have considerable difficulties.

Rehman Chishti: Does the Minister agree that it is completely and utterly wrong that in the past 13 years we should have had more legislation than in the past 100 years? Does he also agree that we should make legislation only when it is necessary, rather than for the sake of it?

Mr Djanogly: I do. The figure of more than 3,000 new offences comes to mind. We had the situation in which a new offence was being created before the previous one had commenced.

We want to simplify the sentencing framework and make it more comprehensible for the public. We also want to enhance judicial discretion, to allow the judges and magistrates who hear the cases to make the most appropriate decisions on sentencing within the legal framework set by Parliament.

I accept that some people, not least my hon. Friend the Member for Kettering, want to see longer sentences, but we need to be proportionate. We could not accommodate the much longer sentences that he suggests without raising taxes to build more prisons.

Sentences have, however, got longer and longer over the past couple of decades, and for many years offenders have not spent their sentence in custody. We do not propose to make fundamental changes to determinate sentences. At present, offenders serving a determinate sentence spend half of their sentence in custody and half on licence in the community. If an offender breaches the condition of their licence, they may be returned to prison. We recognise—

Mr Edward Leigh (in the Chair): Order.

School Sports (Colchester)

1.30 pm

Bob Russell (Colchester) (LD): Although school sport partnerships are nationwide, I wish to concentrate on just one partnership in my constituency as an example to highlight how important they are for every school and every child in the country. I will first set out the national scene. The Government want to save £162 million by scrapping the highly successful school sport partnerships. That is a significant sum, but in the context of the nation's total public spending it is not, and cutting it would be a false saving.

The sum is equivalent to about half the combined wage bills for the two premiership football clubs that played last night—Manchester United and Arsenal. The total wage bill for all the premiership clubs, boosted by the vast sums they receive from television, comes to more than £1.3 billion, according to research conducted by Deloitte and kindly provided to me by the House of Commons Library. Are we seriously saying that the well-being of around 8 million school children in their developing years and, perhaps more importantly, their prospects for better health in adulthood, are considered to have such a low priority that cutting that money from the education budget is acceptable?

I propose that, in the spirit of joined-up government, the Government should get a grip on the mismanagement of football in this country. Professional football is awash with money, but it is being squandered on grotesque salaries and on the huge amounts of money that are lost from the game and find their way to parasitic agents who contribute nothing to football and instead bleed it.

I urge the coalition Government to introduce a football school sports fund—FSSF—by placing a 10% levy on the turnover of premiership football clubs. That would comfortably cover the £162 million needed to fund the school sport partnerships. After all, many of the young participants will be wearing replica shirts of clubs such as Manchester United and Arsenal. In that way, at least some of the huge sums of money sloshing around the premiership would be put to more beneficial purposes than lining the pockets of the few. It would fund the future fitness, health and sport prospects of every child in the country. It would support the many, rather than being kept by the very few.

I urge the Minister to take forward my suggestion as a means of saving the school sport partnerships at nil cost to the public purse. I am confident that my proposed FSSF would be widely welcomed by our schools and by those responsible for the nation's health and sports development. Cross-departmental determination involving the Department for Education, the Department of Health, the Department for Culture, Media and Sport and the Treasury could quickly bring that to fruition by the time the £162 million is due to be cut from the education budget. I shall personally bring the proposal to the attention of the Prime Minister.

Before speaking about the Colchester academy sports hub and the seven primary schools it covers, I will conclude the national overview by quoting in full an excellent article by the award-winning journalist Mr Patrick Collins, chief sports writer for *The Mail on Sunday*, who wrote in his column two days ago:

> "When I left for Australia three weeks ago, Education Secretary Michael Gove was being furiously assaulted by just about everybody who understands the purpose and value of sport in schools. From Olympic champions to head teachers to concerned parents, they lined up to attack Gove's crass and myopic decision to scrap direct funding for school sports partnerships.
>
> There are 450 such partnerships across England, and these alliances of sports colleges, primary, secondary and special schools have broadened choices and increased opportunities for young people to take part in sport. The scheme has been stunningly successful in achieving its bold objectives. Yet now, at a time when the nation is seeking to establish an enduring legacy from the 2012 Olympics, Gove has decided to imperil all its gain with a piece of knee-jerk, doctrinaire cost-cutting.
>
> In common with far too many members of this Cabinet, Gove seems to regard sport as the sweaty pastime of tiresome oiks. The fact that it promotes a healthy lifestyle, reduces juvenile crime, combats dependence on drugs and expands educational aspirations seems not to have crossed his radar. So he swings his little axe in a pathetic attempt to appear decisive.
>
> Three weeks on, and with ignorance no longer an excuse, the wretched Gove is busily trying to present abject retreat as generous compromise—"

Mr Edward Leigh (in the Chair): Order. The hon. Gentleman knows that he should not refer to the Secretary of State by name. He should refer to him as Secretary of State or by his constituency.

Bob Russell: Mr Chairman, I am fully aware of that, but I am quoting from a newspaper article, so those are not my words. They are the words of wisdom of Mr Patrick Collins, who continued:

> "Yet the assault continues. I doubt it will be halted this side of the first Cabinet reshuffle."

Other than giving the Secretary of State the courtesy of putting the title "Mr" before his name, I agree with every word of what Mr Collins said. I disapprove of the manner in which the Secretary of State was addressed in the article, Sir, but I was quoting from it.

It is also worth noting how the proposals to axe school sports funding are viewed by Wenda Donaldson, the director of community sport at the Australian Sports Commission, who observed:

> "I am absolutely devastated to hear of the cuts to the School Sport Partnership models. I am astounded that such an amazing and world-leading initiative has been lost to the communities they serviced."

Well, they have not yet been lost; hopefully, today's debate will help to save them.

From the world stage, let me now concentrate at a truly grass-roots local level. There are 12 sport hubs in the area covered by the Colchester-Blackwater school partnership, involving 86 schools, the majority of them in my constituency of Colchester. I will concentrate on just one sport hub, the one centred on the Colchester academy under the inspirational leadership of school sport co-ordinator Zoe Ford, and the seven primary schools that it serves. They are: from the Greenstead estate, St Andrew's Infants school and St Andrew's Junior school, and Hazelmere Infants school and Hazelmere Junior school; from the St Anne's estate, Willow Brook primary, a fresh-start school formerly known as St Anne's primary; Parsons Heath primary; and Roach Vale primary.

Last month, I visited Roach Vale primary to meet some of those involved in the school sport programme and witnessed the wonderful sight of youngsters playing

football after school with two sports coaches, assisted by volunteers. I sensed that I was watching the big society in action. What I saw clearly showed the success of school sport partnerships.

From Mrs Ford, Mr Tom Evans, who is the assistant partnership development manager of the Colchester-Blackwater school sport partnership, and Mr Barry Hersom, principal of Colchester academy, established in September this year from the former Sir Charles Lucas arts college, I have been provided with the following information: it is a record of success, success, success, and of achievement, achievement, achievement. It would be extreme folly—an own goal, no less—for the coalition Government to end funding for school sport partnerships.

Four years ago, the average time spent on high-quality physical education in the Colchester academy family of schools was 118 minutes, but it is now 147 minutes. Mrs Ford, as is the case with school sport co-ordinators working for the other sport hubs, has worked alongside teachers in primary schools to increase their subject knowledge and confidence in teaching sport and physical education. That is of great importance when looking at the holistic approach to education.

I am advised that, as a direct result of the higher quality of sport on offer and more time spent on PE, there have been large improvements in the quality of teaching; that pupils' attainment has increased and the quality of their learning has improved; that they are more physically active; and that they are adopting healthier lifestyles. Those are four positive points.

Nic Dakin (Scunthorpe) (Lab): I congratulate the hon. Gentleman on securing this timely and prescient debate. What he has described is, as he said at the beginning of his speech, a microcosm that reflects the macrocosm of what is happening across the country. I can speak from personal experience because in Scunthorpe I appointed a further education sports co-ordinator who was part of the network of school sports co-ordination that helped to move things forward. I applaud the hon. Gentleman for the way he is bringing the matter forward.

Bob Russell: I am grateful for the hon. Gentleman's intervention, because he had personal experience of the issue before entering the House. He can see how the partnerships have been a great success story—not only in his constituency and mine, but across the country. They have brought the education family of different schools and different age groups together in a way that I have not witnessed previously.

Clearly, the point I made before the intervention has significance for the NHS. Could the Minister state what discussions were held with the Secretary of State for Health before it was announced that school sport funding was to be axed, and what discussions were held with the Secretary of State for Culture, Media and Sport?

In addition to what happens in schools, the leadership shown by school sport co-ordinators has led to improved links with local clubs. This follows on from the point made by the hon. Member for Scunthorpe (Nic Dakin). Coaches have been invited to provide taster sessions for pupils, and that has led to two-way improvement for the pupils and the clubs.

The notion that schools are not taking part in team games or inter-school competitions is wrong. The figures show that, four years ago, 56% of pupils in the Colchester academy family participated in inter-school competitions; the figure is now 100%, with 67% competing in at least three or more competitions each year.

The number of competitions and festivals has increased from six in 2005-06 to 18 in the current academic year. Every pupil in the Colchester academy family will attend the academy at least once for a tournament or festival in the course of the year. A virtual multi-skills athletics competition—that is how it was described to me—has been developed which allows schools and individual pupils to compete with each other without leaving their own school site, and with relatively little equipment. It has proved popular with all school years, from 1 to 6.

I am assured that greater competition has increased confidence and enjoyment in physical activity. Festivals have provided pupils with a broader and extended curriculum through the introduction of new sporting activities. I am further told that the extra competition has helped pupils develop their spiritual, moral, social and cultural development. I know that the Secretary of State for Education and the Prime Minister would approve of that.

With the 2012 Olympics less than 20 months away, the sports hub has enabled all schools to link their curriculum to that major world event. There are further statistics to prove the value, in every meaning of the word, of this school sport partnership—I am sure that this is true across the country. A big bonus has been the increase in the number of pupils in each year group who have participated in one or more community sports, dance or multi-skills clubs with links to the particular school. For the Colchester academy family, in 2006-07, it was 21% of pupils; last year, it was 51% of pupils. That would never have happened without the school sport partnership.

It is also significant that non-sporty pupils, to coin a phrase, have become involved in an activity that they enjoy. There are greater links with community clubs, therefore helping to promote community cohesion—a further example of the big society in action. Another astonishing statistic—a direct result of the Colchester academy school sport partnership—is that currently 97% of pupils are actively involved in sports volunteering and leadership; five years ago, the figure was 28%.

My concluding observations, which were put to me in advance of today's debate by the Colchester academy school sport partnership, are contained in the document, "Colchester Blackwater School Sport Partnership". Pupils feel greater self-worth and make a positive contribution to the school and wider community. Classes are more cohesive as pupils work together as a motivational team. I am tempted to say that perhaps all political parties in the House of Commons might want to engage such services.

The leaders' programme helps with the transition between infants and junior schools, as leaders provide excellent role models for younger children. There is better social cohesion as young pupils mix with old, pupil-organised activities result in improved behaviour at lunch time and pupils' moral and social development improves.

Abandoning school sport partnerships would be a huge mistake and would affect today's young people, including my two grandsons who are currently at primary school and my granddaughter who will be starting

[Bob Russell]

school in the year of the Olympics. I recognise the state of the nation's economy, but I would argue that we should find ways of ensuring that we do not lose the highly successful school sport partnerships.

I opened this debate with a suggestion as to how funding could be provided in future years, and I urge the Minister to discuss that with colleagues across the Government.

1.44 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): It is a pleasure to serve for the second time today under your chairmanship, Mr Leigh. This debate is very different from the earlier one.

I ought to start by saying to the hon. Member for Colchester (Bob Russell) that we must stop meeting like this. This is the second time in the past couple of months that I have responded to an Adjournment debate that he has instigated. I congratulate him on securing this important debate. He opened it and kept the flow going with his usual colourful language. Never let it be said that he is a man who only brings problems to this House, because he started his speech with an interesting solution that would involve the football premiership in the cost of school sport partnerships. I am sure that my hon. Friend the Minister for Sport and the Olympics will read that practical suggestion in the record, and I am happy to ensure that it is brought to his attention.

The hon. Gentleman's speech was also quite original. Not only was he described as being timely and prescient—I believe that that was how the hon. Member for Scunthorpe (Nic Dakin) described him—but he was also an unashamed plagiarist, in that he used a large part of his speech to quote from yesterday's *Daily Mail*. If only making speeches were that easy.

Bob Russell: May I correct the Minister? It was Sunday's paper, not yesterday's.

Tim Loughton: I am grateful for that. We would not want the good burghers of *The Mail on Sunday* not to get credit for the piece.

I know that the hon. Gentleman is a committed campaigner in his constituency and in this House, and it is clear from his speech that he believes passionately in the work of the Colchester-Blackwater school sport partnership, which is also known as the Thurstable school sport partnership. Among other flowery references that he quoted from the article in *The Mail on Sunday*, he quoted a phrase that suggested that my right hon. Friend the Secretary of State for Education considers sport to be

"the sweaty pastime of tiresome oiks."

May I make it clear again today, as I did in a debate last week on school sport, and as the Secretary of State himself made clear, that he and I and this Government are absolutely committed to the promotion of sport among the population in general and among our school-age citizens in particular? We want them to be involved with sport, particularly high-quality competitive sport, as early and as intensively as possible, and, most importantly, we want that involvement to be sustained through the school years and into adulthood. Too often, the experience in school drops off a cliff when children leave school. We must engender the ethos of the good of sport in children of all ages, and that must be carried forward into adulthood.

As the hon. Gentleman said, sport is good not only for physical health but for mental agility, its socialising benefits, the community engagement that it brings about, teamwork experiences and the personal development of children. It is not a question of being in any way against sport or in any way trying to undermine it. We want more sport, better quality sport and more sustained sport in schools. It is a question of how, not if, and it is important to make that absolutely clear. That underlies the changes that we are looking to make in how sport is delivered.

We are aware of the good work being done in many school sport partnerships, which have played an important part in helping to re-establish physical education and sport as a central part of school life. The Thurstable/Colchester-Blackwater partnership is a good example of that.

My right hon. Friend the Secretary of State for Education and I pay tribute to the work of Adam Finch, partnership development manager at the Thurstable/Colchester-Blackwater partnership, and his team for the excellent work that they have done improving the standards of PE and sport for their young people. I was especially pleased that an impressive number of young people are taking part in intra-school sporting competitions. However, although that partnership is performing well in a number of areas, in some year groups it is still not delivering inter-school competition at a level that the Government would like to see and the numbers taking part in competitive sport, which we would like to be better promoted, have fallen slightly below the national average in years 6, 7 and 8.

Bob Russell: Did I understand the Minister correctly? Do those figures relate to what was happening within what we call the Colchester-Blackwater school sport partnership? If what he has said is correct, does he accept that those figures are still vastly better than they were four or five years ago, before the partnerships started, and that removing the partnerships will do considerable damage to the figures that he has just quoted?

Tim Loughton: In terms of the participation and rates and where the information has come from, the hon. Gentleman gave those figures. One does not deny that. I am saying that the experience and the figures are patchy in different parts of the country and in his constituency. Some partnerships appear to be achieving a great deal more than others. I am not trying to take away from where progress has been made. We question the level of competitive sport, the quality of the sport and its sustainability and whether partnerships are changing the ethos of sport in schools, which is what we need to do.

Let us remember that when the school sports partnership scheme was first funded from 2003, it was never intended to be a permanent arrangement; it was all about promoting sport from a low level and, hopefully, being able to set schools free to be able to carry that work forward. Seven years and £2.4 billion on, we cannot afford to continue that level of funding. We are questioning

whether we are getting best value for money and whether we can get better bang for our buck, looking at alternative ways of providing sport in schools. That is what this is all about: not if, but how.

From figures on sports where participation has fallen and those relating to the number of schools offering particular sports, it is an indisputable fact that, after the commitment of £2.4 billion, the number of schools providing gymnastics, rounders, netball, hockey and rugby union has fallen. The number of schools offering swimming has not changed: it was 84% in 2003-04, before £2.4 billion was spent, and it is 84% now, still. There has been no increase in participation in a significant number of sports.

The taxpayer is entitled to better for the not inconsiderable sum that has been spent in the past seven years. That is why we feel that a new approach with a renewed focus on competition is needed to make an impact. To do this, the Government want to build on the good work already being done by schools to encourage more pupils to play competitive sport in their own school and against other schools.

Although school sport partnerships have helped schools to increase participation rates in a range of areas targeted by the previous Government, they have also locked schools into a rigid network while forcing them to achieve a series of targets that this Government feel impedes schools' ability to promote sport. The Government are concerned that, despite this heavy focus on targets, the proportion of pupils playing competitive sport regularly has remained disappointingly low. Only some two in every five pupils play competitive sport regularly in their own school and only one in five plays regularly against other schools. My right hon. Friend the Secretary of State has concluded that the existing network of school sport partnerships is neither good enough value for money, nor likely to be the best way to help schools achieve their potential in improving provision for competitive sport.

The hon. Gentleman asked what discussions have taken place with colleagues in other Departments, particularly with the Secretaries of State for Health and for Culture, Olympics, Media and Sport. My right hon. Friend the Secretary of State for Education has had a number of meetings with those two Cabinet colleagues, particularly the Secretary of State for Culture, Olympics, Media and Sport, as have I. I sit on the interdepartmental steering group on the schools olympics, which is one proposal being advanced by this Government. There has been considerable engagement between officials in all three Departments. I had responsibility for children's health in the shadow Health team, under the now Secretary of State for Health, where we had extensive discussion on this matter. We need to tackle not only what goes in but what comes out, in terms of the obesity problem and the activity underachievement. We need to take a two-pronged approach.

In lifting the many requirements placed on them by the previous Government's PE and sport strategy, the Government believe that schools will be able to use their new freedoms to enable more pupils to play competitive sport. I understand that this decision has not been popular in some quarters. I recently met a group of exceedingly impressive young ambassadors who voiced their concerns eloquently when delivering a petition last week. However, I am convinced that this decision is the right one to ensure that the next generation of young people enjoys and benefits from sport as never before, while laying the foundations for a lasting sporting legacy from 2012.

I have offered to meet a wider group of young sports ambassadors, after we announce our alternative proposals, to try to engage them fully in the way ahead.

Bob Russell: Will the Minister give way?

Tim Loughton: I will, although probably at the expense of being able to finish my speech.

Bob Russell: The Minister's response will not be recognised by the people in the Colchester academy family, whom I have met and on whose behalf I called the debate. Would he accept an invitation to meet people and see what happens on the ground? I think that he might be pleasantly surprised.

Tim Loughton: I am always grateful for invitations and the Secretary of State for Education is always keen to devolve invitations to his ministerial team. I have had a number of similar offers from many colleagues, not surprisingly, among the many letters that I have received on this subject. I have visited schools and engaged in physical activities in those schools. The hon. Gentleman is good at issuing invitations to Ministers to visit his constituency; he was good at issuing them to the previous Government and the previous Secretary of State for Education was good at passing them on to the Minister with responsibility for schools, who spent most of his time heading towards East Anglia. If I can make a diversion to take in the hon. Gentleman's constituency, I will endeavour to do so at some stage in future. In principle, yes; in practice, we will see how the diary pans out or I will never get any work done in this place and I will not be able to answer his frequent debates in the House.

The Secretaries of State for Education and for Culture, Olympics, Media and Sport, in consultation with experts in sport and alongside officials from both Departments, are considering how to take things forward in the best interests of schools and the pupils and parents they serve. One way of doing that will be launching a national Olympic and Paralympic-style sports event that I have already mentioned, which will form the pinnacle of a pyramid of school sport competitions. Other layers will include intra-school, inter-school, local authority or county level competitions. Every school, including mainstream and special schools, will be given the opportunity to get involved. I am keen to ensure that pupils with disabilities are fully engaged in the process. I am particularly keen to meet representatives from Paralympics and disability sports organisations. We intend to use £10 million of lottery funding, distributed by Sport England, to establish this competition for young people.

While I am on the subject, let me dispel the myth that competitive sport is elitist. Competitive sport inspires people to be the best that they can be and should be a vibrant part of school life for all pupils. Sport should be for everyone. That is why we want schools to set up sports teams that cater for players of all abilities. Anyone, from the most serious football player to the pupil who enjoys a kick-about for fun, should be given the opportunity

[Tim Loughton]

to learn the values of competitive sport and to enjoy and benefit from that experience. We want schools to have not just first teams, but second, third and fourth teams, as there were when I was at school. Indeed, in 10 schools 100% of pupils were playing regular competitive sports against other schools and in 320 schools all the pupils are regularly taking part in intra-school competitions. That does not sound like elitism to me.

We want to see a sharp reduction in the bureaucratic burden on schools, leaving them free to focus on doing what is right for their students. The previous Administration's school sport programme was about telling schools what to do. First, it specified how many hours of sport were to be made available to pupils, by schools, each week, starting with 75% doing two hours by 2006, then 85% doing two hours by 2008, rising to all children doing four hours by 2010, reaching the ever-more prescriptive heights of five hours of sport for all five to 16-year-olds by 2011. A pupil who joined a secondary school in September 2004 would be expected to do two hours of PE and sport a week by 2006, four hours by 2010 and five hours by 2011. How can schools be expected to make decisions about the best needs of their pupils while trying to deal with the straitjacket of such central control?

Secondly, it created a new hierarchy of people to run the programme for schools, including competition managers and senior competition managers—a new hierarchy of people telling other people what to do. Every one of those people was committed to improving local school sport, but I fear that, at best, they enabled schools to leave sport to someone else and, at worst, they stifled schools' ability to provide an offer that was best for the needs of their schools and their pupils. That neither enables innovation—

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 15 December 2010

[MR JOE BENTON *in the Chair*]

Outdoor Learning

Motion made, and Question proposed, That the sitting be now adjourned.—*(Angela Watkinson.)*

9.30 am

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): May I say what an honour it is to serve under your chairmanship, Mr Benton, and not for the first time?

I start by declaring an interest. My enthusiasm for this subject started in previous years when I was involved in the creation of a charity, the Countryside Alliance Foundation. That fuelled the fire for this debate and since then, a number of organisations have come on to my radar and helped enormously in shaping my views. I will quickly list them: the Field Studies Council, in particular its excellent staff at West Orielton in Pembrokeshire in my constituency; the National Trust, its Outdoor Britain campaign, and particularly the help of Jonathan Hughes; the English Outdoor Council; the Bushcraft Company; the Royal Society for the Protection of Birds; and the Council for Learning Outside the Classroom. One of the encouraging things about preparing for this debate was the common ground found between so many different organisations.

This debate is not about urban interests versus rural interests; the subject is important to everybody, wherever they come from and whatever their background and aspirations. Nor is the debate aimed at persuading urban children to go out and do things such as skin rabbits; this is about getting everybody—whether teachers or pupils—out of a classroom and into a new environment so that they can find something somewhere that excites them and in which they can excel. In short, the debate is about outdoor education, not outdoor entertainment.

When I looked into this topic, I was struck by the fact that these days only about 10% of children play outdoors, although about 40% of their parents used to do that. A survey conducted a few years ago by *Country Life* magazine illustrated the challenge that confronts us. A group of children was asked why, in their view, it was important that gates were closed in the countryside. The most popular answer was, "To keep the elephants in." They were asked why it was perhaps more enjoyable to live in rural rather than urban areas, and the equally depressing, but slightly telling, response was, "There are fewer coppers." Those are the challenges and the facts that underpin part—although not all—of this debate. We have a big mountain to climb, but we have the consensus and enthusiasm to climb it.

Emerging evidence suggests that outdoor learning meets every social target set. It is good for education, health, behaviour, community cohesion and, of course, for the natural environment. Everybody who takes part, not just those from a disadvantaged background or those who may not excel in a traditional classroom, benefits from the process. Outdoor learning teaches people, in particular teachers, to understand risk.

Depressingly, 76% of teachers turned down the opportunity to go on a field trip because of fears about health and safety. Such learning, however, is low risk and high reward, and the statistics back that up. Over a 10-year period, only 364 legal claims were tabled because of children injured at school, and only half of those cases ended in any kind of payment. On average, most local authorities paid out £293 over that period.

James Wharton (Stockton South) (Con): I congratulate my hon. Friend on securing this important debate on a topic that I know is dear to his heart. Does he agree that the health and safety culture in this country is hugely damaging, not only in relation to this debate, but overall? A bit of common sense and some good, sensible reforms to encourage people to take reasonable risks when dealing with children, or any other matter, would be of great benefit to our education system and the people of this country.

Simon Hart: My hon. Friend makes a good point. The difficulty with health and safety legislation is that we are trying to create a society where risk is eliminated, but no such thing is possible; risk can be limited and managed, but it cannot be eliminated. My hon. Friend highlights that point well.

In 2008, the most recent year for which we have decent figures, 53% of six to 15-year-olds did not go on a single school trip. A further depressing thought is that over the past 10 years, there has been only £4.5 million of funding for that concept. That is in stark contrast to the music manifesto, for example, which attracted £332 million of funding in 2007. About 97% of teachers believe that it is important for children to learn about the countryside within the national curriculum, and 85% of young children and their parents agree.

Some teachers cannot do what they would like because their school or local authority will not fund their cover when they take children on a trip. That is the "rarely covers" conundrum, and perhaps it goes to the heart of the debate. Under qualified teacher status 30, trainee teachers are asked only to "recognise opportunities" for out-of-classroom learning. It is a weak standard, but even that is not being reached by some initial teacher training providers.

Mr Mark Spencer (Sherwood) (Con): Does my hon. Friend agree that one of the barriers that stops teachers having the confidence to take kids out of school and into the countryside, to pursue an education about rural life, is that they do not have access to resources and knowledge? Is he aware of the charity FACE, Farming and Countryside Education, based at Stoneleigh in Warwickshire? It offers teachers resources, knowledge and teaching aids to help them form educational lessons and partake in rural education.

Simon Hart: I thank my hon. Friend for that intervention. I am aware of that charity and the good work that it does. I am also aware of countless other charities that offer similar, if not identical, services.

I stated earlier that this debate was not about the town versus the countryside. Indeed it is not, and we must be careful not to fall into the trap, as I have myself, of seeing the only benefit of outdoor learning to be that

[Simon Hart]

of teaching urban children about rural ways. My hon. Friend's intervention makes it clear that plenty of people are enthusiastic about reaping the benefits of outdoor learning, but cannot do so either because of insufficient funding through the charitable sector, or because of obstacles due to health and safety legislation, bureaucracy or Government funding.

I have two questions for the Minister. First, will she consider reviewing whether current teacher training provides new teachers with the skills to lead outdoor learning activities in the first place? Secondly, will she review the "rarely covers" guide to residential visits and fieldwork, and look at whether part of the pupil premium may be used for that purpose?

Emerging evidence points to the direct and indirect health benefits of outdoor learning, including personal well-being and—the latest catchphrase—"happiness." The current gaming epidemic does not lend itself to our mission of stirring a child's interest in the outside world. A staggering 53 computer games were released on to the market in April 2010, and it is easy to deduce that we cannot leave it to the children to discover the outside world. It is our responsibility to take them there.

Activities such as walking, cycling and riding can burn up to 380 calories an hour. Green spaces can stabiljse anger in young people, which can help prevent antisocial behaviour. Outdoor education could therefore play a key role in reducing the amount of permanent and fixed exclusions for physical and verbal abuse in schools, which currently run at the eye-watering level of 300,000 cases per year.

Outdoor learning could also help to reduce the cost of youth crime and obesity, which is estimated at an even more staggering and depressing £5 billion per annum for the taxpayer to pick up. Of course, evidence is an essential prerequisite of any progress that we make on this topic. I shall start with what Ofsted had to say about it. In 2008, Ofsted published a thematic report that stated:

"When planned and implemented well, learning outside the classroom contributed significantly to raising standards and improving pupils' personal, social and emotional development."

It went on to recommend that schools and colleges should

"ensure that their curriculum planning includes sufficient well structured opportunities for all learners to engage in learning outside the classroom as a key, integrated element of their experience"

and

"ensure equal and full access for all learners to learning outside the classroom".

In a similar study in 2006, the National Trust stated:

"We looked at whether schoolchildren's learning about their local environment would influence the way they treat it.

We found that not only was this the case, but high-quality out-of-classroom learning also influenced how children behave and the lifestyle choices they make.

It shows the potential for school trips not just to change children's lives, but the lives of whole communities."

Mr Gregory Campbell (East Londonderry) (DUP): I, too, congratulate the hon. Gentleman on the timeliness of the debate. Does he agree that in addition to the issues that he is outlining from those surveys, the battle against childhood obesity can be taken further by learning outside the classroom? It can contribute to that battle, which unfortunately as a society we do not seem to be taking seriously.

Simon Hart: The hon. Gentleman makes a very good point. There are direct and indirect health benefits to be gained from this educational concept. The direct benefits are simply from getting people out of a windowless and joyless classroom environment into an environment that is more interesting and more demanding physically. That is a good thing, but outdoor education can also teach people about the value of a different and varied diet, the process of food production and the attractions of exercise and entertainment, in whatever form they might come, in open areas.

Of course that will have a positive effect. That used to be just conjecture on our part and on the part of the experts; there is now evidence to support the view that that is the case. That is what is encouraging: we are going beyond just speculating to being able genuinely to point to evidence that supports that view.

The Select Committee on Children, Schools and Families also came up trumps. It stated:

"Learning outside the classroom is important, and the Department must provide adequate funding to achieve maximum impact…there should be an individual entitlement within the National Curriculum to at least one out of school visit a term."

On the back of those third-party endorsements, I shall pose two more questions to the Minister. Will the Government reconsider plans to include an entitlement to outdoor learning for everyone in the curriculum? Also, can outdoor learning be included as part of the Ofsted inspection protocol? There is a feeling among members of the teaching profession with whom I have contact that if it is not inspected, it is not important. It is clearly important; Ofsted and the Select Committee have said that it is important. If it is important, let us include it in the inspection protocol, so that everyone knows that it is important and we can cement that in the minds of those responsible for outdoor learning projects.

I represent a seat in west Wales and should therefore like to consider for a moment how the Welsh Assembly Government view the issue. It is encouraging that they are a few lengths ahead of Westminster on this topic. I recognise that the matter is devolved, but we can learn lessons from the Welsh Assembly in this regard. The foundation phase is the Welsh Assembly Government's approach to learning for children aged three to seven years. My own children have benefited from initiatives such as the Forest school. That involves a perfectly non-contentious regular monthly trip into the great outdoors of Wales, which benefits children from quite a young age in many different ways. The Welsh Assembly Government recognise that. Their framework states:

"The Foundation Phase environment should promote discovery and independence and a greater emphasis on using the outdoor environment as a resource for children's learning."

They say that they will aim to

"Provide opportunities for children to experience the outdoor learning environment and to become active learners through the play-based Foundation Phase curriculum."

I say to the Minister that if that is good enough for the Welsh Assembly, surely it is good enough for the UK as a whole.

To conclude my short contribution on this important topic, I shall make these points. We can now prove that outdoor education improves health, education and social benefits for children, young people and society as a whole. We can increasingly prove that if we can obtain those benefits for children and young adults, the economic benefit for the taxpayer in the long term could also be huge and well worth the investment required now.

I want to finish with two case studies. In my last job, I was involved with a project called Fishing for Schools. We took people who often had severe disadvantages and just put them in an environment that they were not used to. We used to marvel at the way in which lives could be transformed as a consequence of that simple project. We had one pupil called Zach on that programme. His teacher wrote to us after the course had finished and said:

"Zach had been suffering from bullying and was often in trouble with regard to behaviour in school, but since the course he has worked hard, been positive, behaves well and is a more mature and sensible young man — wow, what a difference."

Alex McBarnet, founder of The Bushcraft Company, came into the world of outdoor education as a result of difficulties that he had had in traditional education. Using his own get-up-and-go spirit and his own inspirational zeal, he started his own company. He said:

"Children who struggle a bit more in the classroom have an opportunity here to shine, and you can actually watch their self esteem grow by the day, which is fabulous."

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman agree that there are many outside bodies that can contribute to outdoor learning? One is the Countryside Alliance, which the hon. Gentleman might have an interest in. Does he see a role for such bodies, whether we are talking about the British Association for Shooting and Conservation or the Countryside Alliance, that could help to benefit young people?

Simon Hart: The hon. Gentleman makes a point that he knows I will approve of—and I had deliberately not been making it, for exactly that reason. I think that any way in which we can take young people into interesting, challenging, different and adventurous environments and teach them skills that they do not know and introduce them to ways of life, people and communities that they may not usually have any contact with, must be good.

The more of that we can do, the better. I do not say that just as someone who had a personal and professional interest in it, and to some extent still does. I say it because I have seen many examples of people who have benefited. They are not just rural or urban or suburban people, or people from poor backgrounds or rich backgrounds. Everyone who has had the fantastic privilege of coming into contact with the outside world, whether formally or informally, has come away feeling that they have gained something that traditional education could not provide to them. We all have a social responsibility to encourage youth in that respect, but we need help from central Government to break down the barriers that sometimes prevent us from being able to do that.

That leads nicely to my final question to the Minister. I and other hon. Members and organisations out there in the real world think that outdoor learning could bring benefits to the nation and benefits to people who sometimes struggle, through no fault of their own—and often through no fault of their local authority's or the Government's—to obtain benefits from the type of education system that we have.

We have a golden opportunity now to improve the lives of people in a number of communities through a few simple initiatives. Of course, that requires funding, but it does not require obscene levels of funding. In fact, it is not funding but an investment, because the downstream economic consequences of doing it will be profoundly beneficial to the nation. It will save us millions of pounds in the long term if we get it right.

I hope that the Minister will grant an audience with herself and my right hon. Friend the Secretary of State, not only for hon. Members who may be interested in the issue but for representatives of the wide range of outside bodies that have contributed to the debate and made strides in the right direction. If we could get together early in the new year to see whether we could convert what at the moment is a struggling dream into a deliverable reality, this debate will have been a worthwhile use of our Wednesday morning.

9.49 am

Andrew Percy (Brigg and Goole) (Con): I congratulate my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) on securing the debate on this hugely important matter. It is timely, as it was only about three weeks ago that I was on Goole moor, in my constituency, meeting Natural England to highlight the opportunities for our local schools on that nationally important nature reserve. Following that, I have worked with our fantastic head teacher at Goole high school to find innovative ways of using the moor and the site for educational and health purposes.

As a former school teacher, I would like to appeal to the Minister over the Ofsted framework: if something is going into the framework, can there be a one-in, one-out principle or, preferably, a one-in, two-out principle? There are huge pressures on teachers already from the inspection regime, and, due to how the profession is structured, naturally, we tend to teach towards Ofsted, rather than the young people whose education we are there to enhance. I make that small appeal to the Minister.

I congratulate my hon. Friend the Member for Carmarthen West and South Pembrokeshire on his knowledge of the teacher training process. Although trainee teachers are required to prove that they can organise and undertake a trip as part of their postgraduate certificate in education, it is normally a well structured trip to a museum, so they do not come away from the training with particular skills in organising trips outside. There are so many pressures on teachers in terms of advice, risk assessments, and so on, that it can be incredibly difficult to organise trips outside the classroom.

Justin Tomlinson (North Swindon) (Con): I thank my hon. Friend for giving way on that point. One problem is the cost of minibus insurance for teachers. If something could be done about that, it would make a considerable difference. It often costs more than £1,000, and is a particular barrier to short trips to local open spaces.

Andrew Percy: That is absolutely key, because there are huge costs, and other pressures such as extra staff. When I was training as a history teacher and doing my final teaching practice at Endeavour high school in

[Andrew Percy]

Hull, we were studying the industrial revolution. The area I taught in had a fantastic outside resource in its buildings from the industrial revolution period. I simply wanted to take my class of year 8s outside to look at some of those buildings, but I was told that I would have to do a risk assessment and get three members of staff, because there were 30 kids in the class and the ratio has to be 1:10. By the end of the day, those kids were running home across those same streets and past those same buildings, but we did not go out and ended up sitting in the classroom looking at pictures instead. Although the teaching profession can certainly do more to enhance outside learning, we need the structures in place to support them and we need to remove some of the pressures. Following some of the sensationalised reports in the press about school trips, my former union advised us not to take them, which, again, is a reaction to all this bureaucracy.

Outdoor education has a particular role for excluded children and children with special needs. As any teacher has to, I have worked with children from across the spectrum. It was often the most challenging children who benefited most from being taken outside the formal school setting—where they were still learning. I referred to this during my maiden speech; it is expensive to deliver education outside the classroom, but, for those children, the value of doing so cannot be quantified. I have seen kids go off on particular courses outside the classroom and come back significantly changed, so that education has a particular role. As the Minister is about to undertake a review into special and additional needs, I hope that that can be taken into account.

With a change in curriculum, the Government have, rightly, outlined how we intend to move to more vocational or joint pathways. There are huge benefits and opportunities not only for visits but to get skills outside school. I was talking to Natural England on the nationally important nature reserve—I will plug it once again—about potentially putting a curriculum together, which kids could access from our local schools, on countryside management. There are not only health benefits, which my hon. Friend the Member for Carmarthen West and South Pembrokeshire rightly highlighted, but educational benefits.

Mr Spencer: Is my hon. Friend aware that the Department for Environment, Food and Rural Affairs has funded a higher-level entry scheme, which includes educational visits to farms by schools? I understand that the scheme is now closed to new entrants. May I take this opportunity to encourage the Minister to pressure DEFRA to clarify whether that scheme is indeed closed to new entrants?

Andrew Percy: I am happy to be a conduit for my hon. Friend's point. I am sure that, through me, the Minister has heard him and will respond appropriately.

I close by congratulating my hon. Friend the Member for Carmarthen West and South Pembrokeshire again on securing the debate. It is an important area, and it is pleasing to see that so many Members from both sides of the House have attended, particularly my hon. Friends. I look forward to the Minister's response. Thank you for allowing me to make a small contribution to the debate, Mr Benton.

9.56 am

Alun Cairns (Vale of Glamorgan) (Con): It is a privilege to contribute to the debate under your chairmanship, Mr Benton. I congratulate my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) on securing the debate and on his excellent contribution, which enhances the subject.

My hon. Friend touched on the foundation phase and the different approach taken in Wales. I want to spend a little time on my experience in that area. I declare an interest in that my son was one of the first children to go through the foundation phase in Wales under the new education structure for key stage 1. It has had an impact and influence on him and on education and the wider community in Wales.

By way of background, it is worth underlining that key stage 1, or the foundation stage as we refer to it, requires 50% of teaching time to be spent outside the classroom. My hon. Friend and others referred to visits to farms, museums or other outside extracurricular activities. They are important, but the point of the foundation phase is to mainstream outdoor learning as part of the education structure. That throws up lots of problems and issues that need resolving, which I shall come on to in a moment.

It is important to underline the significant benefits that children have drawn from the new approach to learning: social skills, their interaction with each other, their individual approach to risk and personal management, the innovation that it allows children to explore and express, and how it helps—although it is too early to assess its contribution—with the challenges of inactivity and obesity, as has been mentioned. It is also about lifestyle and leadership that allows children and teachers to develop. Those are some benefits that the new approach has brought to children, particularly in an environment where computer gaming seems to be the obvious choice and parents, naturally, worry in a different way about children playing outside than they did when we were growing up.

Teachers, as well as children, obviously benefit as well. I am told that some teachers feel claustrophobic because they are kept in the classroom no matter what the weather. They are stuck there, particularly on wet days when the children are not even free to go outside during break time. The new approach has allowed the teachers to innovate, try new approaches and use the environment around them. It is important to say that that is not only true in rural schools, but in urban schools that have been able to adapt learning practice and curriculum to respond to the environment. The children and teachers have been able to react in a first-class way to those demands.

I should add that there have also been benefits for parents, schools and governors in general. The stipulation that 50% of teaching time should be spent outside the classroom has enabled more people to access schools in higher demand. Current guidance limits the number of pupils in classrooms, but I am familiar with a number of admission appeals. In that respect, I should declare an interest in that my wife, who is an education lawyer, has represented children who wanted to gain access to a particular school. The National Assembly for Wales guidance to teachers relates directly to the floor space

available and to the number of children who can go to a particular school. However, if, as my wife has argued, children spend half their time outside the classroom, the guidance is out of date and needs to be changed, because it can be argued that half the classroom is outside. That has been accepted in some admission appeals.

As I suggested, the 50% target has thrown up problems that have not been fully resolved. There was a significant need for capital spend, because we needed to ensure that classrooms had better access to the outdoors. There was also a need for investment in wet-weather gear. This might come as something of a surprise, but it is not always sunny in Wales, and if we are to achieve the 50% target, investment in effective, proper wet-weather gear is essential. I regret to have to draw hon. Members' attention to the fact that, at some schools, it was the parent teacher association that raised the money to deliver that gear. We have talked about having outdoor learning in prosperous and more deprived communities, but it is essential that the same wet-weather equipment is made available to everyone.

The target has also raised challenges and questions in relation to teacher training. My hon. Friends the Members for Brigg and Goole (Andrew Percy) and for Carmarthen West and South Pembrokeshire highlighted the need for such training to reflect the demands of modern parents and pupils

I want to close by asking how we take the culture of outdoor learning forward into key stage 2 and beyond. Without question, it has become central to learning in key stage 1.

Mr Andrew Turner (Isle of Wight) (Con): I am learning today about the difference between Welsh and English education for youngsters. Many things that would be decided by a school, or at least by a county council, in England are decided at national level in Wales. Is the English approach of making decisions at local level not more sensible?

Alun Cairns: My hon. Friend makes a good point. It is fair to say that education structures in Wales are far more centralised than those in England. Of course, it is up to the devolved Administration to decide how best to deliver education, but it is regrettable that some of the freedoms that are to be offered to schools in England will not be offered to those in Wales. That aside, my point in highlighting the merits and benefits of the foundation phase in key stage 1 is that it has allowed teachers and pupils to express themselves and to learn in different ways. I would encourage free schools, whose numbers will increase in England, to learn from the benefits and merits of the different approach taken in Wales.

Kevin Brennan (Cardiff West) (Lab): Does the hon. Gentleman seriously think that an aspiration to carry out 50% of learning outside the classroom could be met without that direction from the Government in the curriculum?

Alun Cairns: I am grateful to the hon. Gentleman for his question, but, yes, I do think that that is possible. In free schools in England, greater power will be devolved to the head teachers and governors, who will be able to decide how best to approach these issues. The rigid 50% approach taken in Wales may not be right for their school, depending on its environment, its location and its children's needs, which that school can better reflect.

My point in highlighting the merits and benefits of the different approach taken in Wales is that it has made outdoor learning central to education at key stage 1. That has significant advantages, and I hope that free schools in England will look at that approach and apply it to their pupils' needs. My hon. Friend the Member for Brigg and Goole reflected on the requirements of children with special educational needs and on how outdoor learning can better reflect them. Surely, the way in which a school wants to approach outdoor learning will depend on the nature of children's special educational needs. Although the model in Wales is centralised, and I would disapprove of that, the thrust of outdoor learning at key stage 1 is beneficial overall. Should teachers and governors be given the freedom to introduce such a scheme under the system in England, they could adapt it, and that would be much more beneficial in terms of meeting their pupils' needs.

In closing, I underline the need to advance the approach taken in key stage 1 and to underline its benefits, although there will be drawbacks, which we will need to learn about. We also need to understand how outdoor learning should be approached in key stages 2 and 3. Outdoor learning is central to education in key stage 1, and it would simply be wrong to cut it at key stage 2. It needs to make that transition so that we can meet the needs of older children. I take on board the comments by my hon. Friend the Member for Carmarthen West and South Pembrokeshire about the essential need to have outdoor learning throughout education, rather than just at key stage 1.

10.6 am

Mr Robin Walker (Worcester) (Con): I congratulate my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) on securing this debate on such an important subject. I also congratulate other hon. Friends on their contributions.

Many children and teachers in my constituency and in the county of Worcestershire benefit from outdoor education. As my hon. Friend made clear, the benefits are substantial. We do not live in a classroom, and it is vital that education provides children with the tools and skills they need for real life. Outdoor education recognises the fact that we live, not in the controlled environment of a classroom, but on a living, breathing planet. As we seek to give future generations a better understanding of issues such as climate change and pollution, learning outdoors gives children a greater appreciation of the importance of our natural environment. Crucially, some skills, such as teamwork, leadership and an appreciation of risk, are far more effectively developed through outdoor education than they ever can be in a classroom.

Coming from an urban constituency in a rural county, I know that outdoor education has a further advantage for the children of my city of Worcester. It teaches them to appreciate the wonderful countryside around them and to understand better the way in which it works and the opportunities that it offers. For centuries, Worcester has been a county town, and the interaction between city and countryside was automatic. In the age of

[Mr Robin Walker]

supermarkets, television and video games, however, things are not always that way. Without outdoor education projects, many children in my constituency who live within a mile or two of wonderful woods and fields would quite literally never visit them. The Wii Fit and "The X Factor" are a powerful draw away from the benefits of the outdoors, and parents who are themselves working flat out to support their families are not always able to take their children into the countryside as much as they would like.

Fortunately, Worcestershire long ago realised the benefits of outdoor education and was an early adopter of the forest school scheme, which is enjoyed at many of our primary schools. Having talked to pupils and teachers at schools from Cherry Orchard and Perry Wood to Dines Green, Gorse Hill primary and Lyppard Grange, I have heard countless stories of the enjoyment and benefit that the scheme brings. More important than the stories, however, is the experience itself. In the case of outdoor learning, seeing really is believing. Seeing the excitement of children who are taken out of the classroom and into the natural environment for the first time, one can see how outdoor learning helps to engage some of the most difficult and easily distracted pupils. Seeing the way in which children learn new respect for teachers who can show them physical skills and relish the opportunity to escape the confines of the classroom, one can immediately understand why forest school status is an important tool for retention at many local primaries.

However, outdoor learning is not, and should not be, restricted to the primary sector. At Tudor Grange academy, in the heart of Warndon, outdoor learning is being developed as a key tool and a key opportunity for engaging students. This new academy serves a large population that will benefit from the pupil premium. It replaced a school that struggled for many years to engage its students and to deal with truancy, apathy and high levels of special needs.

Jim Shannon: Does the hon. Gentleman agree that today's young people, whether in primary or secondary school, have great awareness of the environment, climate change, litter control, recycling and such things? Does he agree—I think from his remarks that he would—that more needs to be done, and what is already happening needs to be continued?

Mr Walker: Absolutely. I completely agree. Through outdoor learning we can give people more of an opportunity to understand those things even better. That is one reason why it is a positive benefit.

Through outdoor learning, the new and energetic leadership of Tudor Grange has found a way to engage some of the most difficult pupils and provide a pathway to work for some of those who were simply uninterested in an academic education. By taking pupils out of the classroom for part of their day and engaging them in work and learning outdoors, staff have found that behaviour is much improved on their return to the classroom. Pupils who would previously disrupt academic classes are prepared to get down to work in maths and English much better, having spent part of the day outside. A local employer, Cobb House fisheries, has given the academy access to its resources, and the environment is used for forestry, animal husbandry, angling and orienteering. It forms part of a year 12 access to work programme but it also provides an environment for engaging 30 at-risk students who have a bespoke curriculum utilising outdoor education as their key hook.

The academy also works closely with a local farm, and a group of very vulnerable students has achieved the BTEC certificate in agriculture there in one year. The students are now doing a BTEC countryside and environment course as part of their programme. Those students are making significant progress in their literacy and numeracy from a very low baseline. They were not engaging with a mainstream curriculum before, and two students on that route had not attended school for two years before the academy opened the courses. They are now in year 11 and on track to achieve the equivalent of a minimum of six GCSEs, with improved attendance and better results across the board.

Outdoor learning at Tudor Grange extends to a cadet force branch and a course in public services, which is proving particularly popular in the academy with students who presented with extreme behavioural difficulties. The course includes a lot of personal health and fitness units, and local residents are now familiar with the sight of groups from the academy running in units around Worcester as part of their training drills. The principal tells me: "This is developing tenacity and determination in students we would never have attached such attributes to before".

Speaking of the benefits of outdoor learning in Worcestershire, it would be remiss of me not to mention some of the wonderful work that goes on beyond the boundaries of my constituency. My hon. Friends the Members for Mid Worcestershire (Peter Luff) and for West Worcestershire (Harriett Baldwin) would no doubt speak passionately about the excellent schools in their constituencies that provide fantastic opportunities for outdoor learning. However, they are kept away from this debate by ministerial and Select Committee responsibilities respectively. I would like to give a couple of examples of how the positive influence of schools in their patches has been felt as far afield as my own constituency.

Top Barn farm, just beyond my boundaries, is a hugely inspiring centre for outdoor learning and a test base for the care farming movement. Hon. Members will be aware of that movement, and some may feel that it is beyond the scope of the debate, but the work that is being done there, to bring, in particular, children with special needs on to a farming environment, and ensure that they can benefit from learning opportunities there, deserves a mention.

Another institution that I visited recently, which hugely impressed me, was the Madresfield early years centre in west Worcestershire. That wonderful school—my hon. Friend the Member for West Worcestershire was there on Friday—is the product of a vision for outdoor learning and the boundless energy of its founder Alice Bennett, a farmer's wife who has devoted her life to bringing outdoor learning into a farming environment. It brings children on to the farm as their learning environment and caters for a broad cross-section of society, from those receiving state support and living in social housing to the children of the grandest houses of the area. Each child has at least two half days a week

out of doors and children are encouraged to engage with the environment, take constant exercise and relish the opportunities offered by the countryside.

Perhaps I should conclude with the words of the very inspiring head teacher, who recently returned from a visit to Denmark, where she was looking at how outdoor learning is integrated into the system there. She concluded that

"outdoor education should be a human right. Its benefits in motivation and engagement, teaching co-operation and leadership, fitness gain and better attitude are beyond question."

She also spoke of the miracles that happen outside with special needs children. I hope that the Minister will carefully consider the miraculous benefits of outdoor learning for her forthcoming Green Paper on special needs education.

10.14 am

Mr Mark Williams (Ceredigion) (LD): It is a pleasure to serve under your chairmanship this morning, Mr Benton. I pay tribute to my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) for securing this important debate. Perhaps I should declare an interest: like my hon. Friend the Member for Brigg and Goole (Andrew Percy), I used to be a teacher. I was a teacher for 12 years and am still a member of my union, the NASUWT.

I very much endorse what other hon. Members have said, which is that this is not simply a debate about rural areas. My hon. Friend the Member for Carmarthen West and South Pembrokeshire has a proud record of championing rural areas, and I concur with him on many of those issues, but he was right to make the point that outdoor education is about urban schools as well.

I start with a couple of anecdotes. One of the most successful field trips I ever organised involved leading a group of children from a deprived school in north Devon down to the city of Plymouth. It was an excellent day's work that examined the architecture, the effect of the Blitz, the new buildings that went up in Plymouth, the naval town and the economy of the area. Those children would not have experienced that—it is a long way from Barnstaple to Plymouth—had we not given them the opportunity.

Closer to home, I think of the scheme that we embarked on in Powys. We set up a partnership scheme between a local organic farm and our school. We acquired a plot of land and visited each term. Every child in that small village school visited the farm every year, nurtured the plot and grew vegetables. They took the vegetables back to school to make meals.

Julian Sturdy (York Outer) (Con): My hon. Friend makes a good point about the need for farmers to play a role in outdoor learning. What worries me is the fact that so many schoolchildren do not understand where their food comes from. That is quite frightening, especially when, if we ask some schoolchildren where their potatoes or chips come from, they say, "McDonald's". Does my hon. Friend think that the National Farmers Union and farmers need to play a key role in such education, and in improving understanding of where food comes from?

Mr Williams: Absolutely. One of the benefits of the project that I was involved in was that we considered the seasonality of fruit and vegetables. I think that it is assumed that because children live in a rural area they have automatic access to farms and to schemes of the kind that the NFU and others, such as the Farmers Union of Wales, have put forward. That assumption should not be made. That is why the debate is important, for getting some clear guidelines. It is beginning to seem a little like a Welsh debate—I am proud of that, but I shall not stray on to devolved matters.

Every year at the school where I taught we took the year 5 and 6 children to stay at an outdoor pursuit centre in Montgomeryshire, where they could do kayaking, orienteering, rock climbing, mountain walks and canoeing—the very kinds of activities from which many children with special needs, who were not high achievers in the classroom, really gained. We were teaching concepts of teamwork, collaborative work and team building. Those were important opportunities for the children.

Guto Bebb (Aberconwy) (Con): The point that my hon. Friend makes about the outdoor pursuit centre is important. My hon. Friend the Member for Brigg and Goole (Andrew Percy) made the point that health and safety is an issue when taking children out of the classroom, and such outdoor pursuit centres have health and safety covered; they have the skills to deal with pupils safely and give them the experiences that have been described.

Mr Williams: I agree very much. One of the nice things for a teacher organising such trips was that there was no need to get embroiled in the bureaucracy of organising a risk assessment; it had already been done by trained professionals.

This is a core debate, not a peripheral thing. It is not a trendy lefty debate about the effectiveness of group work or topic work—debates that have happened in the past. It is about enhancing learning in the classroom, teaching in context, teaching in the real world and broadening horizons in the strongest way. As I reflect on my education, I recall that the only such opportunity that I had in secondary school—there was little in primary school—was the Duke of Edinburgh's award scheme. That is a great scheme, with great opportunities for young people, but very much curtailed and limited.

Was there, in the three schools where I taught, always a dedicated member of staff with expertise, responsible for developing the outdoor curriculum? If there was, in some instances it was not very visible. Should we give more prominence to outdoor education in initial teacher training? I did a PGCE course, from which I benefited; I gained my qualification and enjoyed my 12 years in the classroom, but there were limitations with respect to outdoor education.

To repeat a question that has been put to the Minister, is the initial teacher training that we provide giving teachers the skills that they need to lead outdoor learning? It is all very well talking about identifying opportunities; teachers sit there developing their lesson plans and identifying opportunities. It is a matter of whether those opportunities for outdoor learning can be delivered. It is not about burdening the curriculum. I agree with the direction of travel: it is about scaling down the curriculum.

Years ago, I worked as a researcher in the other place. When the national curriculum was introduced in 1988, I remember the huge number of representations from

[Mr Mark Williams]

different organisations in favour of including subjects in the national curriculum. That was an over-burdening experience.

I also remember, years later when I was in the classroom, the minutiae of detail directed from the centre about how I should deliver a numeracy hour and a literacy hour, down to the five minutes of a plenary session at the end. We are moving away from that over-prescriptive period. There is consensus among all who have spoken so far that we are seeking to build meaningful cross-curricular links in key areas of the curriculum—notably geography, history and science—for which outdoor activities are appropriate.

As my hon. Friend the Member for Carmarthen West and South Pembrokeshire mentioned, the Select Committee on Children, Schools and Families produced its report in April 2010. I want to draw on three of its conclusions. First, the report talked of the ability of families to pay, or their inability to pay, for trips and the deterrent to schools in offering opportunities to pupils. At one school where I taught, there was a blanket policy. We could not countenance any outlandish trips, because we knew that the parents in the deprived wards of that area would be unable even to subsidise their children's trips.

The Select Committee recognised the principle of subsidies for children from low-income families for school trips, and I think that that should be endorsed. The report also talked about an individual entitlement within the national curriculum to at least one school visit each term. That is integral to the curriculum that needs to be delivered. I would like to hear the Minister's comments on that individual entitlement to outdoor education.

Mr Andrew Turner: I draw attention to another thing. When I was a teacher, it was perfectly acceptable for one member of staff to take one class into town. What has happened since then?

Mr Mark Williams: My hon. Friend is right. The answer came from my hon. Friend the Member for Brigg and Goole when he talked about the one-to-10 rule. That is very hard, and it is also sometimes hard to engage parents to become involved in outdoor pursuits. We think of a captive audience of parents eager to accompany their children on trips, but that is not always the case.

There is a fundamental need for schools to have a policy on learning outside the classroom. As I said, it is not just a matter of having a policy, with words in readiness for the Ofsted or Estyn inspections; it is about being able to deliver. The Government do recognise the importance of outdoor learning—as, to their credit, did the last Government. It is important for the Council for Learning Outside the Classroom to get on with the job. I regret that the Select Committee's recommendations on additional resources and Government regulation and monitoring guidance were not accepted.

We had a little spirited debate about Welsh Assembly Government policy. I do not want regulation and rules to be over-prescriptive, but we do need some clear guidelines from the centre. Most professionals in most of the schools I have been involved with fully recognise the importance of that, as my hon. Friend the Member for Vale of Glamorgan (Alun Cairns) mentioned. They are delivering the foundation stage with great effectiveness—I have two young children experiencing the foundation stage now. However, that is not always the case across England and elsewhere in the UK. We need those rules and that guidance.

I will not repeat all the figures about the effectiveness of outdoor education mentioned by my hon. Friend the Member for Carmarthen West and South Pembrokeshire. I do, however, want to say something about the risk-averse culture developing in our country, and the characterisation of many children's lives as "home to school and back home again"—from the classroom to the sitting room, or wherever the TVs are in the house.

I do not agree with everything that the much-maligned Lord Young says—far from it. However, his work "Common Sense, Common Safety" was important. It was a welcome attempt to rebalance the risk-averse culture in the country that has considerably damaged the tradition of school trips, with teachers and schools inevitably concerned about liability if things go wrong.

I remember the frustration and bureaucracy of trying to organise trips. It is not surprising that 76% of teachers identify health and safety risk assessments as the main barrier to delivering outdoor learning. We should not throw the baby out with the bathwater. Despite the few but tragic cases where things have gone wrong, there has to be a measure of sensible risk assessment. Action should be taken where negligent behaviour occurs, but we must do all we can to rebalance the system.

In his foreword to Lord Young's report, the Prime Minister states that we need to

"focus regulations where they are most needed; with a new system that is proportionate, not bureaucratic; that treats adults like adults and reinstates some common…trust".

Some of us may disagree about what that constitutes, but I hope we can all agree with the sentiment.

The Department for Education launched its "Learning Outside the Classroom" manifesto in 2006. That report highlighted research on the way the brain works. Reading it took me back to teacher training and some of the lectures and seminars I participated in. The research showed that learners can be re-engaged with the world as they experience it, known as "authentic learning".

That is particularly important when we look at the sciences. The Field Studies Council has seen a decline in the number of people studying secondary science visiting their residential centres across the country, with a drop of 18% between 2008 and 2010. We need to engage with the people who have the potential interest, if it can be captured and promoted in a positive way. It was a sad reflection that only 47% of six to 15-year-olds went on a visit to the countryside with their school in 2008. I am not going to talk about the foundation stage in Wales, other than to say that it has been a huge success.

There is much in the Government's agenda that suggests that they are keen to encourage more activity. They are keen on volunteering and we have had Lord Young's review. I hope the Minister will be able to outline what steps are being taken to ensure that more outdoor learning can take place at schools and translate support into concrete achievement.

One final point: I want to commend the young artisans scheme in Ceredigion, in the Penparcau ward of Aberystwyth. It is a deprived area—we have deprived

wards in rural Wales as others do across the country. That scheme has largely worked with low achievers and people with special needs, taking the craft, design and technology curriculum out of the classroom. It takes youngsters from years 5 and 6 to work with employers and local colleges, out of the conventional classroom, so that the young people can see links with the real world. It is a pioneering scheme that has been going for years. Later, as 16-year-olds, some participants have found decent gainful employment on the back of an outdoors education policy.

Several hon. Members *rose—*

Mr Joe Benton (in the Chair): Order. Before I call the next speaker—there are two people standing—I should say that I propose to start the wind-ups no later than 10.40 am.

10.28 am

Guto Bebb (Aberconwy) (Con): I will be brief to ensure that every hon. Member who wants to contribute can do so. I congratulate my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) on bringing this excellent and positive debate to the House.

My hon. Friend the Member for Vale of Glamorgan (Alun Cairns) declared an interest because he has one child going through the school foundation stage in Wales. I have twin boys and another three children going through the educational system in Wales, so I, too, need to declare an interest. When we talk about the educational benefits of outdoor activities, we in Wales are very fortunate. I do not want to dominate the debate by referring to Wales again, but as a child I used to go to the Urdd Gobaith Cymru centre in Llangrannog in the constituency of my hon. Friend the Member for Ceredigion (Mr Williams). When I was slightly older, I went to the centre at Glan Llyn, where I learned canoeing and white-water rafting. The terrible thing is that I am now old enough to see my children getting the same experiences.

The concept of getting children into the outdoors and enjoying pursuits is important and I fully subscribe to the comments made by several hon. Members.

I wish to focus on a slightly different aspect of the importance of outdoor activities to the educational sector—its economic impact on constituencies such as mine. My constituency of Aberconwy includes a large tract of Snowdonia. The area has had to struggle to create employment and economic opportunities, and we have had to make the best of the facilities and the environment that we have. Agriculture is obviously important, as is food production and our specialist food producers, but a growing part of the economy in my part of the world has been the outdoor activity sector.

That sector is not entirely dependent on educational customers, but they allow companies to offer an all-year service, with year-round employment for young people from my constituency. I could give numerous examples—they will challenge *Hansard*—of organisations and companies in my part of the world that benefit from providing services to schools in all parts of the United Kingdom.

For instance, Plas y Brenin at Capel Curig is renowned as a mountaineering centre. We have an outdoor education centre at Conwy, which brings young people to the Conwy valley to enjoy white-water rafting and so forth. Tree Top Adventure offers excellent facilities at Betws-y-Coed, but it depends on school trips to allow it to offer employment every day of the week and all year round; it makes an important contribution to the economy of my constituency.

We also have specialist companies that deal with the health and safety aspects. They offer a safe environment for young people to experience the adventure and the challenges offered by the environment in areas such as mine. Snowdonia is not there only for the enjoyment of people who can afford to pay for an expensive hotel or a slightly cheaper bed and breakfast for a weekend visit. The environment of Snowdonia should be enjoyed by young people.

In addition to private sector companies offering services in my constituency and throughout Snowdonia, we have a number of other centres, including the Oaklands Centre at Capel Garmon. Oaklands is owned by Wirral borough council. It is about an hour and a half down the road from the Wirral to my constituency. Young people are brought from an industrialised area and taken to the beauty of Snowdonia where they can enjoy the challenge of getting involved in outdoor activities. The contribution made by the Oaklands centre is also economic. For instance, it employs local people to ensure that there is food on the table when the young people arrive.

Throughout Snowdonia, numerous centres are in danger of being lost because of the priorities of local authorities, which may not emphasise the importance of their contribution to the educational sector. I am therefore concerned about the future of centres such as Oaklands. They are important not only because of the opportunities that they give the young people who visit them, but because they give people in my constituency the opportunity to stay and work in a rural area, often in highly skilled positions. It needs to be said that the opportunities afforded by the outdoor activity centres in my part of the world are extremely important because of the quality of the jobs that are created. Taking responsibility for groups of young people going mountaineering or out on rivers is a highly skilled position.

I applaud the local authorities in my part of the world. We hear a lot about the need for local authorities to work across boundaries. In north-west Wales, Isle of Anglesey county council, Gwynedd county council and Conwy county borough council have come together to form the North Wales Outdoor Partnership. It was developed to give young people from that part of the world an understanding of not only the enjoyment that can be had from the environment of Snowdonia, but the economic opportunities that exist. The partnership takes young people out to enjoy mountaineering, kayaking and so on, but it also highlights the economic opportunities that can develop from becoming skilled in such activities. Numerous young people have found employment as a result of the skills gained through the partnership.

Menter Iaith Conwy, a local company, has highlighted the need to train young people to be responsible for taking people out on to the mountains. The fantastic thing is that the company is training people through the medium of Welsh or English. Again, it highlights the fact that economic opportunities are available through outdoor education.

[Guto Bebb]

Government spending is not necessarily the way forward for every part of the economy; those organisations and companies could develop employment opportunities in the private sector. However, the educational market is important in ensuring proper employment all year round. When such decisions are made, it is important that we take account of the economic impact of those activities on the rural economy.

10.35 am

Justin Tomlinson (North Swindon) (Con): I fully support this excellent debate, which was secured by my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart). First, I shall say why I am supportive. I shall then make a plea to the Minister, which I hope will be helpful.

Many of my hon. Friends spoke of the significance of engagement. I have visited Crowdys Hill school in my constituency; it is an excellent school for children with autism and autism spectrum disorders. It is fortunate enough to have a small livestock holding on site. To see at first hand the sheer joy and engagement of the children during their hands-on involvement with nature is fantastic.

Not many schools have livestock holdings, but several have some form of nature reserve. It concerns me that many modern private finance initiative schools do not have the space. That is a real challenge, as we look forward to the next wave of schools being built.

We have the headquarters of the National Trust in my constituency. In its contribution to the debate, it says that, generation by generation, we are spending less and less time with nature and reducing our capacity to understand, respect and conserve the natural environment.

Having spoken on similar subjects before, and having been a councillor for 10 years, I know that back gardens in new-build houses are a third of the size that they were in the 1960s. Parents are concerned about letting their children venture too far, but nowadays they cannot venture out even on their own doorstep. New developments are often concrete jungles, with limited open space. That is a major concern.

The outdoors provides a wealth of leisure opportunities for a healthy, active lifestyle, and is often available at no cost. As a lead council member for leisure, I considered investing in leisure centres, and I support that. However, the outdoors gives families and people of all ages a wonderful opportunity to be active without having to spend huge amounts of money. That is why I call it the great outdoors.

I have many happy memories of growing up and charging around Arley and the Malvern hills with my classmates, doing orienteering and burning off huge amounts of energy. My hon. Friend the Member for Brigg and Goole (Andrew Percy) will be pleased to know that we often got lost, partly because we were not supervised, but we learned some good teambuilding skills. Certainly, my map-reading skills benefited greatly.

I touched on the subject in an intervention, but my plea is about insurance for schools. If the cost proves to be a barrier, it limits access. I believe that the Department for Education should negotiate a national insurance contract to cover all schools. Putting all those insurance renewals together would be one hell of a piece of buying power, giving potential economies of scale. That would benefit sport and many other activities for which schools need to bus children elsewhere. It would be a constructive thing for the Department to do.

10.38 am

Kevin Brennan (Cardiff West) (Lab): I, too, congratulate the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) on securing the debate.

Someone pointed out earlier that the debate had a distinctly Welsh feel. Indeed, we also heard from the hon. Members for Vale of Glamorgan (Alun Cairns), for Ceredigion (Mr Williams) and for Aberconwy (Guto Bebb). I should mention the others who spoke, but I may struggle when pronouncing the English names of their constituencies. We heard from the Member for—was it Wore-ses-ter?—the hon. Member for Worcester (Mr Walker). The hon. Member for Brigg and Goole (Andrew Percy) contributed, and at the end we heard from the hon. Member for North Swindon (Justin Tomlinson), which I think I can pronounce properly.

All contributions to the debate were good. Indeed, I wish I had thought of the last point made by the hon. Member for North Swindon when I was a Minister. It is an excellent proposition, and I hope that the Minister will respond positively. I hope that I have mentioned everyone who spoke in this enjoyable debate. It reflects the fact that there is a degree of consensus on learning outside the classroom; there has been for many years.

Hon. Members have mentioned the many reasons why this is a good thing. They talked about the health benefits and practical skills that can be gained; the broadening of horizons; and the influence on behaviour, with improving relationships between pupils themselves or between teachers and pupils—adults and children. During my time as a Minister, I was keen to promote learning outside the classroom. I used to say that, for whatever reason, we have managed to raise a generation of battery-farm children and it is time to allow them to go free range. That is what we all think in this debate: we need to liberate children from the bounds of the classroom and get them to enjoy all the benefits of the great outdoors. I am a big enthusiast of that, which is why I congratulate the hon. Member for Carmarthen West and South Pembrokeshire on securing this debate.

Like other hon. Members here, I have also spent time as a teacher and organised field trips. I remember one particular trip to Llanbradach in the Welsh valleys where I confiscated an awful lot of cigarettes, but where we had a wonderful time. I have fond memories of the various trips that I took as a pupil, as I am sure other hon. Members have. As a teacher, I used to say that it is important to make something memorable for students: to give them something that they will remember in years to come. The things that we often remember and that have a positive influence on us are the kinds of experiences that we gain outside the classroom.

Risk, which has been raised this morning, is very important. We must get people focused on the real risks. There are risks; the hon. Member for Ceredigion pointed that out. Irresponsible actions can sometimes be taken by those who supervise learning outside the classroom, but it is the real risks rather than the rare risks on which we should focus in this debate. It is essential to get that

message across to teachers, governors, pupils and to everyone involved in organising learning outside the classroom.

Several hon. Members have mentioned the foundation phase in Wales, or the key stage 1 curriculum. I visited Kitchener Road primary school in my own constituency last year. Anyone who knows anything about Cardiff will know that one could not find a more urban school than the one on Kitchener Road. It is a classic Victorian primary school on a very constrained site, right next to a main road. It is a multi-ethnic school. As part of the foundation phase, the teachers found a bit of scrubland on the school site and held their forest school there. If anyone saw those children gathered around the campfire making toast on the end of a stick, they would not know that a main road was only five yards away. It is a classic example of what can be done with a bit of imagination. It did not need a great deal of resources. Yes, it was a damp day, and the children needed outdoor gear, but that was no reason for them not to go outside. It was absolutely wonderful to see them benefiting from such an experience. I am sure that many of them would not have had that experience had it not been for the fact that the curriculum was organised, as the hon. Member for Vale of Glamorgan pointed out, to ensure that those very young children spent half their time outside.

There is a great deal of consensus in the Chamber about what we need to do and, I think, in fairness, about the fact that the previous Government made a big effort in this area. If hon. Members have done their research they will know that that is the case. I was Minister in the old Department for Children, Schools and Families, which organised and launched the "out and about package" in 2008. The quality badge scheme was designed to assure schools that organisations that are great at offering opportunities for outdoor learning, such as those mentioned by the hon. Member for Aberconwy, can meet the standards and requirements that are needed.

The Government's response to the Select Committee report that was published just before the general election in April states:

> "Under the previous Administration, significant progress was made in bringing together organisations with an interest in promoting learning outside the classroom. These organisations have worked together on guidance and support for schools and on the development of the Quality Badge accreditation scheme under the direction of a new council for learning outside the classroom."

I give the Minister credit for that. It recognises the efforts that have been made so far to try to overcome the culture that was getting in the way of learning outside the classroom.

In preparing for today's debate, I was a little surprised to read the briefing from the Countryside Alliance, of which the hon. Member for Carmarthen West and South Pembrokeshire used to be in charge. I met the alliance the other day and we had a very good meeting about this matter. I commend the trust that the hon. Gentleman set up and its aims and what it is attempting to do. None the less, its briefing said:

> "The previous government confirmed in its response, which was published at the end of October, that it does not believe outdoor education can contribute to the development of a child".

There is, I think, a typo in there. It was not the previous Government who issued the response to the Select Committee's report; it was this Government, who, the Countryside Alliance says, do not believe that outdoor education can contribute to the development of a child. I do not believe that that is true. I am quoting the Countryside Alliance briefing for this debate; it is not me saying this. I am sure that what it says is not the case and that the Minister will confirm that in a moment, but I can understand why the alliance might be concerned.

I have read the Government's response to the Select Committee's report on outdoor education. It does not make good reading for members of the Select Committee, because it is tantamount to a wholesale rejection of the report. Running through the response is this ideology of laissez-faire that seems to have overtaken the Department. The thinking is that if we let everything go, do not drive anything and let schools and governors get on with it, we will suddenly, miraculously, end up with a situation—as the hon. Member for Vale of Glamorgan believes—in which children will spend 50% of their time outside the classroom. All we need, the Government think, is a general feeling good about things, osmosis and a laissez-faire approach. However, it will not happen.

Clear guidance is needed from the centre, as the hon. Member for Ceredigion pointed out. It is important. Teachers take note of it as do governors, local authorities and providers. We must give a clear indication of what we want to see schools doing. Sometimes, we have to put resources into it and sometimes Ministers who want to get things done will have to apply a bit of stick as well to ensure that it happens on the ground. I am afraid that just wishing will not make it happen.

I will not go through all the Government's responses to the Select Committee report, but if we look at them, we can see that most of them start with the words:

> "We do not agree with the suggestion".

For example, one of the responses states:

> "We do not agree with the suggestion that an entitlement to one school visit a term should be built into the National Curriculum."

Here is another one:

> "We think this is unnecessary and is an issue which should be left to the professional judgement of teachers."

Those are fine words and everyone welcomes them, but the Government will be judged on what actually happens on the ground and whether there is an increase in the amount of time that children spend on learning outside the classroom.

Another response states:

> "We are not pursuing the previous plans for a School Report Card"

which was one of the recommendations of the Select Committee—

> "but we are looking at the performance tables with a view to providing parents with a wider range of performance information than is currently available."

I hope that learning outside the classroom will be part of that.

Here is yet another response:

> "We do not agree that schools should have to provide such information to the DfE, at a time when schools are asking us to reduce bureaucratic and data collection burdens."

Such burdens should be reduced, but whether data are collected can send a signal to schools about what is thought to be important.

In closing, I just want to say that I am afraid that the idea that has been put forward by the Royal Society for the Protection of Birds before this debate that the pupil premium can provide some funding for outdoor learning

[Kevin Brennan]

is cloud cuckoo land, because the pupil premium is a con. It does not add any additional money whatsoever in real terms to the school budget and it will be exposed when head teachers start looking at it. I can guarantee the Minister that, because of the way that the Government have played "funny figures" with school funding, she will have head teachers queuing up to tell her that the pupil premium is a con very shortly.

The Government are cutting school sport and we are still awaiting an announcement on it. I hope that the Prime Minister has not sold the country a dummy on school sport, because we are still awaiting the announcement about whether the Government will do anything to reinstate the structure of school sport, which is important if we are talking about children's health. The School Food Trust is being abolished and we will see food standards fall as a result. We will be back to turkey twizzlers, with no proper physical education and a lottery for learning outside the classroom.

I hope that the Minister, in responding to the debate, can tell us what she will do to promote learning outside the classroom and to face down the laissez-faire ideology that has infected her Department.

10.50 am

The Minister of State, Department for Education (Sarah Teather): It is a great pleasure to serve under your chairmanship, Mr Benton. I was going to say that it is a great pleasure to participate in this debate, until I heard the end-point of the speech by the Opposition spokesperson, the hon. Member for Cardiff West (Kevin Brennan). His speech began so well and ended with such nonsense, but I guess that the Opposition have to be the Opposition and demonstrate that they oppose everything.

I want to congratulate the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) on securing this debate on a really important topic. It is good to see Westminster Hall so full of people. I am aware of the hon. Gentleman's previous role as chief executive of the Countryside Alliance and of his involvement in charitable work with that organisation to promote outdoor learning. It is really good to see that he is continuing that work now as a Member of this House.

We have had a good and well informed debate. The hon. Member for Vale of Glamorgan (Alun Cairns) gave particular detail about the situation in Wales. There were contributions from former teachers, my hon. Friend the Member for Ceredigion (Mr Williams) and the hon. Member for Brigg and Goole (Andrew Percy). We have heard about a number of examples of outdoor learning from Members' constituencies. The hon. Member for Worcester (Mr Walker) spoke about forest schools. I was very interested to hear about the particular examples given by the hon. Members for Aberconwy (Guto Bebb) and for North Swindon (Justin Tomlinson).

The Government absolutely believe that outdoor learning is vital and provides so many opportunities for young people to expand their horizons and to put learning into context, so that they can actually see what is happening and are not just learning the theory. Moreover, outdoor learning provides opportunities to break down barriers. It is very easy for someone to fulfil a role if they go into the same place and perform the same function every day. However, when a group of people are taken out of that place and put somewhere else, it breaks down the old traditional roles, which of course is exactly why outdoor learning has the impact that it does on behaviour. It is able suddenly to boost the confidence of many children who may not succeed in other activities in the classroom.

Many hon. Members began their contribution by declaring an interest in this sector and I should probably declare an interest too, in that my brother works for the Outward Bound Trust as a fundraiser. When I listened to him talk about the history of the trust, I was fascinated. It is perhaps worth saying something about that history as it is really relevant to the debate.

The Outward Bound Trust began as part of the war effort in 1941, so it will celebrate its 70th anniversary next year. It began because of the experience of people who had watched merchant seamen after their ships had been torpedoed. Some merchant seamen survived longer than others and it was really obvious that the ones who did not survive were the young people. So a lot of young seamen were taken out of their ships and taught survival skills and team-building exercises, and it was found that those activities had a real impact on their ability to cope in strenuous situations. After the war, the effect of that training on those particular seamen was so great that the trust decided to roll out the training to many other young people. Last year, it was able to provide 26,000 young people with opportunities for such training, much of which was funded through charitable donations.

So the Outward Bound Trust is a prime example of the organisations that many hon. Members have spoken about during the debate, from forest schools to Farming and Countryside Education, which the hon. Member for Sherwood (Mr Spencer) spoke about. Often, those organisations have a very strong charitable arm and so they are able to take young people who could not otherwise afford those outdoor experiences and really change their perspective on life. I want to pay tribute to all the organisations, whether they are private or charitable, that do this kind of work for young people.

However, it is important to say that the Government view outdoor learning as being much wider than just that type of adventure activity. Outdoor learning is not just about getting out into the countryside, although that is absolutely vital. Many of the contributions to the debate have been about the necessity of giving children experience of the countryside. A couple of hon. Members spoke about the fact that many of our young people do not know, for example, how food is produced. All of those activities are part of outdoor learning, but they are not the only aspect. Getting out and experiencing music, theatre or the visual arts is also part of outdoor learning. Furthermore, outdoor learning is a vital part of understanding history and field trips in science and geography are all important.

Not all of those trips have to be trips to places that are a long way away. In fact, the hon. Member for Cardiff West gave the example of a school trip in his constituency that stayed very close to the school. Sometimes such activities can take place just outside the school and even occasionally within the school gates. Getting out of the classroom is what is so vital.

The hon. Gentleman also spoke about the previous Government's record on outdoor learning. I absolutely acknowledge that the previous Government invested an awful lot of effort, time and money in trying to improve outdoor learning. However, as the Children, Schools and Families Committee stated very clearly in its report on outdoor learning, we are not there yet and we are a long way away from being where we need to be. Far too few young people have the opportunity for outdoor learning and there are all sorts of reasons for that, which were drawn out in the Select Committee report. I just want to refer to a few of those reasons.

I think that part of the problem is related to an overcrowded curriculum, which my hon. Friend the Member for Ceredigion spoke about. There are so many compulsory elements in the curriculum that it is difficult to find the space in the day for teachers to explore outdoor activity. A number of hon. Members were trying to request that extra things should be put into the curriculum, particularly in relation to outdoor learning. In the same way that the hon. Member for Brigg and Goole suggested one thing out, one thing in, I am resisting the tendency to put extra things into the curriculum. However, I can perhaps offer a word of comfort to hon. Members who raised this issue. The national curriculum review is particularly looking at what should go into the curriculum. For subjects such as science and geography, it may well be that the review looks at the particular components of outdoor learning. I do not want to pre-empt the review, but I will say that it is ongoing.

Alun Cairns: Will the Minister give way?

Sarah Teather: I have only three minutes left and I have quite a lot still to say, so I had better not give way just now.

I am also grateful to the hon. Member for Carmarthen West and South Pembrokeshire for raising issues of health and safety. I absolutely agree with him on those issues and it was helpful of him to put on record the statistics that he cited about how rare difficult events are. The Government take very seriously the report by Lord Young and it is absolutely vital that we get out the message that such difficult events are very rare and that we should take a much more common-sense approach to outdoor learning.

The Government believe that, by offering more flexible funding to schools with less ring-fencing, we have a much better chance of encouraging schools to take up opportunities for outdoor learning. For example, schools are free to spend the pupil premium on supporting particular activities for children from disadvantaged backgrounds. If the priority is to hire a minibus, that might be what a school chooses to do. However, I will undertake to examine the suggestion of the hon. Member for North Swindon about an insurance scheme for schools that is bought en bloc, to see if there is anything that can be done with respect to that suggestion.

The White Paper on schools also speaks specifically about "access to live theatre" and encouraging

"the appreciation of the visual and plastic arts and work with our great museums and libraries to support their educational mission."

That is something that the Government take very seriously.

I have mentioned history, and the understanding of citizenship is also very important, which is precisely why we support the Holocaust Educational Trust in its programme "Lessons from Auschwitz". I have experienced that programme myself and it is a fantastic programme that offers the opportunity to change people's perspectives. For those who have not had that experience at school, the Government are providing extra opportunities through the national citizen service, which will give young people an opportunity to experience outdoor activity first-hand at the start of that scheme and really change their lives.

The hon. Member for Carmarthen West and South Pembrokeshire asked a number of questions. With respect to teacher training, a paper on that subject will be released next year and I will ensure that his comments about teacher training are drawn to the attention of the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), who is the Minister with responsibility for schools.

With respect to the foundation stage, I will ensure that the comments that have been made about it during the debate are fed into Dame Clare Tickell's review of the early years foundation stage.

With regard to the "rarely cover" guidance, if schools plan trips in advance that guidance should not really be an issue. However, the Department for Education is looking at the guidance.

With respect to the idea of an entitlement for one particular outdoor learning activity, I think that this process is much more about understanding outdoor learning as a part of a child's whole learning experience. Just having one trip does not really meet the need for outdoor learning. What we need to do is to mainstream outdoor learning into the whole way that we are looking at the curriculum, which is why I made the point earlier about geography and science trips.

Mr Joe Benton (in the Chair): Order.

Pollution (Horn Lane, Acton)

11 am

Angie Bray (Ealing Central and Acton) (Con): It is a pleasure to serve under your chairmanship, Mr Benton. The Horn lane industrial site sits on a busy single carriageway in my constituency, connecting the Uxbridge road with the north of the constituency, which is home to the Park Royal industrial and business park and through which runs the A40. The purpose of bringing that part of the world to your attention is to highlight a long-standing problem that shows no signs of abating: the unacceptable pollution levels emanating from the Horn lane industrial site and the palpable failure of any agency to enforce legal pollution limits in the area.

It is local residents who have really upped the ante on the issue by putting it firmly on the agenda and starting to campaign for genuine action and, hopefully, an end to the pollution plight that menaces their daily lives. Ably led by a former Acton Central councillor, Vlod Barchuk, and local activist, Rosco White, SHLAP—Stop Horn Lane Pollution—has attracted considerable support from a community that, understandably, wants to hear less about monitoring pollution levels and more about active policing and enforcement.

Having consulted the Environment Agency and corresponded with the Secretary of State for the Environment, Food and Rural Affairs on the matter, I am still a little unclear on how best to move forward and achieve genuine action on the matter. The site is the problem, because it sits uncomfortably, slap bang in the middle of a large residential community. It is surrounded on three sides by residential properties that are supported by a parade of shops and local businesses, all directly alongside the industrial site. Despite living and working along a busy road, a real sense of community exists among local residents, who feel that they are living in an area with great potential and already benefit from Acton's excellent transport links and the easy access it offers to central London.

That ease of access makes it obvious why Horn lane was chosen to house an industrial site in the first place. It has first-rate rail links and is right on the doorstep of the Park Royal estate. The A40 is to the north and the Uxbridge road is to the south. That made sense in the past, when Horn lane was home to factories, rather than flats and houses as it is now. It must seem odd to those who work on the site that they drive their lorries, unload their skips and transfer their waste right in the heart of a residential community. To local residents, it is ridiculous that their quality of life is being impaired by that throwback, which produces literally sky-high levels of pollution.

Incidentally, although we are looking at air pollution today, the noise pollution from some of those units is also intolerable. The beeping of lorries backing up to empty their loads, the clanking of skips being unloaded and reloaded, and the general din of deafening noise produced by large vehicles moving back and forth in a confined space is also pretty awful for residents. There is no doubt that a more modern and enclosed site would limit both air and noise pollution and increase efficiency. Those units are way behind their times, another reason why they are so unsuitable for the area they remain in.

However, it is the high levels of small, carcinogenic PM10 particles that produce the really serious health problems. They are produced when the units transfer aggregates and building materials from rail to road and engage in their waste-transfer activities. PM10 particles are proven to have a range of effects on health, including effects on the respiratory and cardiovascular systems, asthma and mortality. As the evidence that I will share shows, PM10 levels originating from the Horn lane site have consistently overshot the maximum permitted from any one location. That that is allowed to continue in a heavily populated residential area is just not on.

Monitoring of pollution levels at the Horn lane site is already in place. The Environment Agency is now comparing readings from all three of the monitoring devices at the site in the hope that the sources of the PM10 can be more precisely located. However, residents who complain about the unacceptably high levels of pollution have for years heard the familiar refrain from the Environment Agency that it is monitoring pollution from the site and will take action if the industrial units exceed the limits agreed under their operating licences. Indeed the monitoring equipment takes readings every 15 minutes, which allows pollution patterns to be identified. The readings show that both measures for pollution levels—the daily and annual average readings—far exceed the maximum levels permitted.

The European Commission has set a target that no location should have an annual average of more than 40 micrograms of PM10 particles per cubic metre. So far this year, the Horn lane site has averaged 42 micrograms per cubic metre. The EU states that in any one location there should be no more than 35 days a year when PM10 levels average more than 50 micrograms per cubic metre. That happened on 96 days in 2008, 73 days in 2009 and on 91 days so far this year. Based on those readings, in the last three years pollution levels have been more than double the agreed acceptable levels. Where is the enforcement? What is the point of all the monitoring if it does not actually lead to anything?

The lack of enforcement brings about cynicism of the worst sort among the public. Residents are told that there are acceptable levels of pollution and that anything beyond those limits incurs a penalty, but in reality those levels are breached with frightening regularity and nothing is ever done. For instance, a bell has been installed at one of the units on the Horn lane site to ring when levels rise above a certain point. At that point, all activity at the unit is supposed to cease immediately until the level drops back down. Residents say that they cannot hear the bell because there is so much noise, but the figures reveal that pollution was above the acceptable level, and yet no one has ever seen activity stopped for any period whatsoever during a working day. It is no good being told after the event that pollution levels were too high if nothing is done at the time to rectify the situation. People will just ask, "What is the point?"

In the meeting that I organised in Parliament between the Environment Agency and SHLAP, the agency's representatives explained the great difficulties that they face in enforcing the legal pollution limits set out in the industrial units' licensing agreements. My understanding is that the principal problem with that enforcement is that one has to go to court and prove that an individual unit is exclusively responsible for the pollution, but that is clearly impossible in the case of the Horn lane site.

because a number of different potential polluters operate there at the same time. What are we to do? The public simply cannot continue to be told that there is unacceptable pollution at the site and then be informed that nothing can be done about it or that no agency is prepared to do anything about it.

The added problem at Horn lane is that it is not just the Environment Agency that is responsible for enforcing pollution levels, as some of the units come under the remit of the local authority, Ealing borough council. I am not making a partisan point, because both main parties have run the council and neither have managed to get to grips with the problem. It will always be difficult when two separate authorities are responsible for different units at the same place and when it is necessary to prove that an individual site is at fault. The situation is just too confusing.

The operators have not always been entirely open to positive discussions with their neighbours, which is unfortunate. Some residents have at times felt noticeable hostility when they have been "too active in making complaints". It might be fair to say that since the arrival of SHLAP there is a growing recognition by those companies that the residents are now much more united and determined to get things done. For that reason, we have noticed certain improvements at the industrial site, such as proper wetting of the ground, which captures the dust before it flies into the air. It seems that that is now being done on a more regular basis, but my point is that residents should not need to dedicate their lives to the cause of getting genuine action on enforcing legal pollution limits.

The Environment Agency will be on schedule 7 of the Public Bodies Bill currently going through Parliament. If the Bill becomes law, it will be subject to review on a regular basis, and we are hoping that that will help to sharpen its approach.

Also going through Parliament is the Localism Bill, which is about returning power to the local level. It includes a general power of competence that would allow local authorities to do anything that is not specifically prohibited by law. It may well provide an opportunity for the local authority to take a more proactive approach to the problem emanating from the Horn lane site. It should be noted that the local authority did take a more proactive approach in 2006, when it brought a prosecution under the Environmental Protection Act 1990. That was effective in improving the unit's performance, albeit only in moving pollution levels down from the outrageous to the unacceptable. Broadly speaking, focus and leadership have been seriously lacking in the past. The Localism Bill coupled with regular reviews of the Environment Agency's approach might just get things going.

The real long-term answer to the problem must be to shift this small industrial remnant and to rezone the area for residential and office use. The problem has existed for too long—it is absolutely time to sort it out. The arrival of Crossrail at Acton mainline station, which is now guaranteed in the comprehensive spending review, cannot come soon enough. It will provide the perfect opportunity for complete rezoning of the area. There will be great demand for offices and residential units, and they would surely be a much more suitable way to use land in what could become an appealing location.

There have also been growing calls for Network Rail to sell off some of its valuable land assets, bearing in mind the public purse in these times of austerity. When Crossrail finally comes to Acton with a brand new station, the surrounding land owned by Network Rail will increase considerably in value. That is yet another argument for rezoning the area.

Obviously, I am not trying to put people out of business. The last thing that I want to do is to close the industrial units down, as such—I just want to move them a little. In fact, there is a perfectly sensible alternative. The Park Royal business and industrial estate is, literally, just up the road. It offers excellent access to the A40, there is still plenty of free space, and there is easy access to rail links from the estate. Surely that would be a better location for this kind of industrial activity than a heavily populated residential area.

But, of course, that is for the future. Crossrail is not due to open for business much before 2018 or 2019, and we have a problem that has to be dealt with here and now. That is why I have focused my attention today on the current needs of the Acton residents who live along Horn lane, alongside the industrial site. They need action now, not endless monitoring and statistics.

I recognise that the agencies I have spoken to want solutions, but, as I said earlier, this is about focus and leadership, and a determination to act on the information, rather than to provide all kinds of reasons for why nothing can be done. My constituents deserve much better than that, and I hope that the Minister will provide us with some helpful thoughts on a meaningful way forward. I thank him, and you, Mr Benton, for listening to our case this morning.

11.13 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I congratulate my hon. Friend the Member for Ealing Central and Acton (Angie Bray) on raising this matter again in the House. She raised it last week in Environment, Food and Rural Affairs questions. She has held frequent meetings and has been a prolific letter writer on behalf of her constituents, and is to be commended for her tenacity in raising an important issue for her local residents.

The emergence of SHLAP—Stop Horn Lane Pollution—is a great credit to the community. It shows strength of spirit and determination to resolve a problem that is clearly blighting the lives of local people. I will deal in detail with the circumstances later, but it is important first to set the context.

Good air quality is fundamental to health and the quality of life. The public health White Paper, which was published only last week, highlighted that. It also highlighted the important role that local authorities play in ensuring that their citizens and communities have clean air to breathe and, with other agencies and local businesses, in ensuring that pollution is kept under control and its impacts minimised.

We have seen significant improvements in air quality over many decades, but, as this case demonstrates, poor air quality continues to have an impact on peoples' lives. Moreover, poor air quality and pollution hotspots, as in the case of Horn lane and the industrial site located there, can blight the lives of local communities significantly.

[Richard Benyon]

The coalition Government have made a clear commitment to work towards achieving air quality pollution limits in the UK, and co-operation between the Environment Agency, local authorities and others is key to achieving that commitment.

Several points that my hon. Friend made have to be dealt with at the local level—they cannot be dealt with from the desk of a DEFRA Minister. However, she was right to say that leadership at every level is vital. I shall ensure that her powerful words are heard by the Environment Agency, and I am sure that she will ensure that they are heard by the local authority. I shall also ensure that we continue to work with her to get a proper solution to the problem.

Local communities and citizens have an important role to play in highlighting shortcomings and in drawing them to the attention of higher authorities if they cannot achieve local solutions. I am pleased, therefore, to have this opportunity to say more about the action that is being taken to deal with the matter.

This case shows that safeguarding local air quality is not a simple matter, and that many different sources can contribute to the problem. An air quality monitoring site was installed on Horn lane by the London borough of Ealing in 2005. As my hon. Friend said, it measured very high levels of dust particulates, also known as PM10, which is particulate matter of less than 10 microns in diameter—smaller than the width of a single human hair. PM10 is composed of dust from exhaust fumes, brakes and tyre s, aggregates, which she referred to, and industrial processes such as waste management and construction and demolition works. It is not visible to the naked eye but can be monitored, and it impacts on human health, particularly that of vulnerable groups with respiratory problems.

In the case of Horn lane, there are several potential sources of PM10 close to the monitoring station, including transport from Horn lane and the nearby A40, other transport sources such as buses and trains, and pollution from the industrial site, which has several units engaged in concrete production, aggregate supply, scrap metal and waste transfer, and also heavy vehicle movements. That combination of sources adds to the load of dust and pollution and requires that several agencies work together with operators to control it.

The local authority has overall responsibility for local air quality in Ealing and for plans to improve it. The Environment Agency is responsible for ensuring that waste management sites regulated under the Environmental Permitting (England and Wales) Regulations 2010 do not contribute significantly to breaches of national air quality objectives. If a site is contributing to such a breach, the agency develops site action plans with the operator to achieve improvement within an agreed time scale. If improvements do not happen, the agency has the power to serve improvement notices, to stop the activity, to initiate criminal proceedings or to revoke the site's environmental permit.

At Horn lane, the Environment Agency regulates part of the Yeoman Aggregates site, the Gowing & Pursey waste transfer site and Horn Lane Metals. Ealing council regulates one other unit and, with Transport for London, has responsibility for reducing pollution from transport sources. That is a complex picture, and I know that my hon. Friend and local residents have been concerned about how the arrangements ensure that proper controls are in place. It is right to take into account the valuable local employment provided by firms such as those operating in Horn lane, but these firms must take all reasonable steps to minimise their environmental impact.

The Environment Agency has focused particularly on Gowing & Pursey and has pressed this company over the past four years to improve its control and management of dust, especially from vehicles using the site. Both the London borough of Ealing and the Environment Agency have taken enforcement action against Gowing & Pursey. Most recently, in 2009, the agency served a notice under the environmental permitting regulations, requiring the company to supply it with air quality monitoring data. The company failed to do that, but, following the initiation of enforcement action, it is now supplying the required information.

Further legal enforcement, in principle, remains an option. However, due to the sensitive location at Horn lane, the agency believes that the best option is for all waste activities to occur within a building. I am told that the operator has started discussions with Ealing council on planning permission for this activity to take place in a building.

In addition to these actions, the agency continues to require Gowing & Pursey to monitor for particulates arising from its operations and has increased its inspection and audit frequency for all the sites that it regulates on Horn lane. The agency also carries out regular joint visits with the London borough of Ealing, so that the statutory powers available can be used to improve air quality.

My hon. Friend mentioned relocating facilities on the site. That might be the ideal solution. Planning is a matter for the local authority. I urge her to explore that option—I know that she is doing that—to ensure that in the medium term, at least, a solution can be achieved, leading to different zoning, so that all the benefits that she sees coming forward from a development such as Crossrail can be integrated and factored into a plan dealing with the inappropriate activities that take place so close to so many people's homes.

Since 2006, levels of particulate matter pollution have declined from an annual average of more than 217 micrograms per cubic metre to 75 micrograms per cubic metre most recently. This is a significant improvement and the data are publicly available if further details are wanted. I am sure that that is of no comfort to the members of SHLAP, who just want this matter resolved and are not particularly fascinated by the details of the data. Although pollution has reduced, all the parties involved recognise that levels are still too high and further improvements are needed.

I understand that the area manager for the Environment Agency met my hon. Friend and the community representatives she mentioned. From that meeting, it was agreed that the agency would continue to monitor air quality around the site to pinpoint the source and would make frequent unannounced visits to ensure that the site was operating in line with its permitting requirements.

I will take away the points raised by my hon. Friend about the pollution alarm and will personally ensure that the Environment Agency requires that, if a site

licence requirement says that once the alarm is triggered activities must cease until pollutants reach an acceptable level, and if that is not happening and it is within the means of the Environment Agency to solve the problem—not some other agency—action will be taken.

The agency also agreed to facilitate a meeting with the operators and the community to explore further control measures. I understand that that meeting has yet to take place. This co-operative and transparent approach is important to provide assurance to the local community that action is being taken to improve matters, particularly in this case, where a number of sources could be contributing to breaches of air quality objectives. It is only possible to take enforcement action once the most significant source has been isolated. Although the majority of particulates that are causing problems may or may not be coming from one major source, they might not be coming exclusively from there. It is important that we get the full picture.

As can be seen, this is a complex matter and it is necessary for the local authority, the Environment Agency and others to work together to identify pollution sources. They must also ensure that the responsible operators on the site take suitable measures to improve air quality and monitor levels of pollution. Both the local authority and the agency have taken enforcement action and air pollution has reduced over the years since this engagement, but everyone would agree that more improvements are necessary.

I encourage local residents to continue their dialogue with the Environment Agency and the London borough of Ealing; to keep this site under close scrutiny; and to work with the operators to identify further improvements.

I am grateful to my hon. Friend for turning a spotlight on this issue and championing the concerns of local residents. They should know how hard and assiduously their Member of Parliament works for them, dealing with important problems for people living in that area.

11.25 am

Sitting suspended.

Financial Support (Students)

2.30 pm

Teresa Pearce (Erith and Thamesmead) (Lab): It is a privilege to have this debate under your chairmanship, Ms Clark. I am pleased to see so many hon. Members here to talk about an important issue. I will try to keep my speech brief, so that everybody can get in to make their points and, more importantly, to ask questions.

I asked for this debate for two reasons. First, we need to highlight the effect that the decision to scrap the education maintenance allowance will have on young people throughout the country. Secondly, we need answers about how the proposed financial support scheme, the enhanced discretionary learner support fund, will work.

Last week in the main Chamber, a vote was carried that will allow university tuition fees to rise up to £9,000 in a year to plug the gaping hole in the higher education budget left by the Government's 80% cut. I voted against that rise with other Opposition Members. The Government fail to grasp that, by cutting EMA, many young people from poorer backgrounds, particularly in constituencies such as mine, will never reach the level at which they will be able ever to consider attending university. Taken together, the tuition fee increase and the scrapping of EMA are a heavy blow to young people in constituencies such as mine.

The EMA keeps many young people in Erith and Thamesmead in college or sixth form—and in some cases, it has to be said, on the straight and narrow. Their families rely on payments to cover the costs of attending college, including transport and books, and they often help top up the family budget. One of my constituents, Trudy Mackie, wrote to me recently, saying:

"I am a single parent",

living in Thamesmead,

"and have worked full time since leaving school myself. I have managed to purchase my own home and save a little money while supporting my daughter throughout her school life...She was identified as gifted and talented, as a school student likely to do well with support, and we have hoped and aimed for her to go to university for a long time on that basis. We are very concerned about the scrapping of the EMA and how this will affect our budgets. This...really does help my daughter to do extracurricular activities"

that enhance her education, such as

"theatre trips and additional lectures...Our household will struggle without this money."

Joan Ruddock (Lewisham, Deptford) (Lab): My constituent, Timar Misghina, a student, said precisely the sorts of things that my hon. Friend has just quoted. Tellingly, she said that EMA not only helps with books, transport and clothing, but helps to get her through her studies with fewer worries. It is important that, when people are trying to study, they and their families are not in a state of constant worry about money.

Teresa Pearce: I agree. It makes a difference if people know that they can concentrate on their education without worrying about the bus fare.

Some 43% of students at Bexley college and 38% of students at Greenwich college—the two largest colleges serving my constituency—receive EMA, the vast majority receiving the higher rate of £30 a week. Some argue that

[Teresa Pearce]

this money does not have an effect, but the principal of Bexley college, Danny Ridgeway, has confirmed that, in the past two academic years, students at his college in receipt of EMA have been more likely to pass their course than their colleagues who have not received EMA support. I believe that this positive outcome is linked to the attendance requirement attached to EMA payments.

Bill Esterson (Sefton Central) *(Lab): On that point, I* received an e-mail from the principal of Hugh Baird college in Bootle, telling me that 84% of young people at the college currently receive EMA. She says that it is clear that the EMA has become a key part of family income and that its discontinuation is very likely to impact on the participation rate locally. In addition, a study in Merseyside colleges shows that the results of those on EMA are 7% higher than those of people who do not receive it.

Teresa Pearce: I agree. More importantly, Danny Ridgeway, the principal of Bexley college, agrees. He says:

"It is our view that the conditions that link payment to attendance and completion of work have been a motivator to help these students to success and progress".

At this stage, we do not know whether the Government's plans for enhanced discretionary learner support will have a similar attendance requirement. Will the Minister tell me whether it will?

The Government's current line is that many students would have stayed in education anyway and that EMA is therefore a dead-weight. When the Minister makes this point—I am sure that he will—I would be grateful if he commented on the following points. First, research underpinning the dead-weight assertion was flawed, because it was undertaken only among schools, when 69% of the recipients of EMA attend colleges not schools. Furthermore, a significant number of EMA recipients are black and ethnic minority, yet those surveyed were 91% white. If a survey is undertaken with an unrepresentative sample, I believe that the results are irrelevant to the debate.

Secondly, research from the Institute of Fiscal Studies showed that where EMA is available, participation in education and attainment levels increased. Does the Minister not think that those are worthwhile objectives?

Thirdly, many public policies involve a high amount of dead-weight—for example, the initiative announced in the June Budget about temporary relief from national insurance contributions for new businesses. The Treasury's costing shows that 96% of that tax cut will go to employers who would have set up anyway and that 4% will go to employers who have set up in response to the incentives. If the sole aim of this policy is to stimulate new business, it would be regarded as 96% dead-weight. Why are employers worthy of support, while young people, who are the future of this country, are not?

Before I turn to the details of the enhanced discretionary learner support fund, I wish to discuss what will happen to those students who currently receive EMA and are mid-way through their courses.

Mr Pat McFadden (Wolverhampton South East) (Lab): My hon. Friend is right to say that the Government have based their whole case for withdrawing EMA on the research that she mentioned. The Minister will base his case on that research, saying that only a minority of students say that they would not have pursued any course at all if they had not received EMA, but that is not the sole point, is it? Surely the point is the level of sacrifice that families will have to make so that their young people can pursue education.

Does the Minister accept that if he withdraws EMA, even from those students who say that they would proceed with a course, the sacrifice that families have to make will be increased, particularly among those who need the help most—students with learning disabilities, teen parents and those from the poorest families? Does he really want to pursue that policy?

Katy Clark (in the Chair): Order. Can I remind hon. Members that interventions should be short?

Teresa Pearce: My right hon. Friend raises an interesting point.

Students who receive EMA and are mid-way through their courses began those courses in good faith and could not have foreseen that the funding that they were promised would be withdrawn later. On 25 November, my hon. Friend the Member for Wigan (Lisa Nandy) and I wrote to the Secretary of State for Education, urging him to ensure that students would continue to receive EMA for the duration of their courses. We have not yet had a clear response from him, so I would be grateful if the Minister clarified what is to happen to those students, particularly given the recent confusion between written answers and information appearing on Government websites.

In answer to my hon. Friend the Member for Warrington North (Helen Jones) on 15 November, the Minister said that £174 million would be set aside for EMA in 2011-12, the next school year. Yet the Directgov website states:

"If you currently get EMA you will continue to receive it for the rest of this academic year, but you will not receive it next academic year".

I would be grateful if the Minister clarified which is the correct answer.

EMA keeps young people focused on their studies, as other hon. Members have mentioned, meaning that they do not have to take on part-time jobs to see them through their education. Long gone are the days when students could get Saturday jobs to do that, because those jobs are often taken by middle-aged women. The jobs just are not there.

In a letter that I received yesterday, the Minister says that

"the expectation that young people will remain in education or training post-16 is much stronger…than…when EMA was introduced. Already, 96 per cent of 16 year olds and 94 per cent of 17 year olds participate in education, employment or training. Attitudes to staying on in education post-16 have changed."

I totally agree with the Minister, but that change is precisely because of EMA.

The Government have indicated that future decisions on who will receive payments will be made at individual institutions. The coalition Government say that that is because the school or college is closer to students and

can make better judgments, but those very institutions are opposing the withdrawal of EMA. If the Minister trusts their judgment about the administration of the enhanced discretionary learners support fund, perhaps he will tell us why he does not trust their judgment on the value of EMA as a whole.

I would like answers to the following questions. Will the new scheme take account of travel costs? A written answer to my hon. Friend the Member for Wigan shows that the last time the Government assessed the average travel costs per student was in 2003. How will we know what the costs are now if the figures are eight years old?

Will the enhanced discretionary learners support fund even include travel costs? At the moment, it does not. What safety net will be in place if too many students need funding, but not enough money is available locally to fund them? Will that mean less funding per student, will allocation be on a first come, first served basis, will students have to parade their poverty to see who is at the front of the queue, or will more funding be made available? If a college does not use all its grant, what will happen to the surplus? My constituency could be considered to be an area with a high level of student need, and those questions are important to me and the people who sent me here.

Katy Clark (in the Chair): Order. I have received written indications from 12 Back-Bench Members who wish to speak, and I ask hon. Members to bear that in mind when making their contributions.

4.21 pm

Julian Sturdy (York Outer) (Con): It is a pleasure, Ms Clark, to serve under your chairmanship, and I thank you for calling me. I know that many hon. Members want to speak, so I will try to keep my comments brief. I congratulate the hon. Member for Erith and Thamesmead (Teresa Pearce) on securing this undoubtedly important debate today, and I note that members of the public are also present. The debate is especially important given last week's prominent and controversial debate on higher education, so it is extremely timely to discuss financial support for students over the age of 16.

I want to make my position clear. I strongly believe that it is right for some form of financial assistance to be targeted at those aged 16 to 18 from the poorest backgrounds. That is really important. The key components of any post-16 education debate should focus on the education maintenance allowance. That has always been the case, and I want to focus my comments on that.

I am sure that some hon. Members here will have received a lot of correspondence about the matter. I have certainly seen a lot, and the principals of Askham Bryan and York colleges in my constituency have raised the issue. Among all concerned groups, there is a real fear that the loss of the weekly allowance will lead to the poorest abandoning their courses, and perhaps not starting them in the first place. That is an entirely understandable concern. However, I stress that the issue is not simplistic or clear cut. The impression portrayed in some corners suggests that the choice is between EMA and the end of all financial assistance to 16 to 18-year-olds. That is quite wrong. I suggest that the majority—I include myself—stand in the middle on this sensitive issue.

Joan Ruddock: What does the hon. Gentleman think will be the consequence of students not knowing whether they are eligible for EMA? There might be a grant, but they would not know. When it comes to choosing a further education college, such as Lewisham college in my constituency, eligible students can get the money and have some certainty. They can make a real choice about where they take their education. What is the future?

Julian Sturdy: I accept the right hon. Lady's point. There is no doubt that we must ensure that the policy is clear. That has not always been the case, which is why I want to speak up. However, I broadly support the policy, and I will go into the reasons later. We must make sure that information is clear because it is important for young people to have it at their fingertips so that they can make the critical decisions that will affect their future lives. The right hon. Lady makes a valid point.

A matter that has already been touched on is that Government research shows that 90% of EMA spending is dead-weight, going to students who would have stayed in education regardless of the scheme. The hon. Member for Erith and Thamesmead touched on that, and I am interested to hear what the Minister has to say. I share the Government's view that taxpayers' money deserves far greater respect. If EMA is truly only needed by just 12% of those who receive it—

Mr Chuka Umunna (Streatham) (Lab): My constituency is in the 19th most deprived local authority area in England. On the dead-weight issue—I do not accept the survey's figures—does the hon. Gentleman share my frustration about the way the argument is made? If young people say that despite abolition of EMA they will remain in education, that is being used against them. I met a group of students this morning who said that they would do whatever it takes to stay in education because that is their future, even if abolition of EMA means that they cannot have lunch for a few days a week at least, or pay for transport and will have to walk to college instead. The issue is not just about people being put off and abolition of EMA deterring young people from going into further education. A member of Lambeth youth council, Stephen, is sitting behind me and can back me up on that. For those who choose to stay in education regardless, the abolition of EMA will subject them to extreme hardship.

Katy Clark (in the Chair): Order. I remind hon. Members that interventions should be brief.

Julian Sturdy: There is no doubt that there must be support for the poorest and most deprived areas to help young people into education, and I will come to that. Government policy allows for that, but the question is whether the money is best used and targeted at people who fall outside and are at the top end of the threshold. Perhaps it is not.

Simon Kirby (Brighton, Kemptown) (Con): Is the issue not about fairness? In my constituency, many children live in deprived areas with no state sixth-form provision. Support should be effectively targeted. Am I not right in thinking that that is what the Government intend to do?

Julian Sturdy: Absolutely, and that is what I want to go on to. For me, the fundamental point is ensuring that the money gets through to the people who really need it, and ensuring that they can make the decisions that could change their lives.

Bill Esterson: Will the hon. Gentleman give way?

Julian Sturdy: I am not getting far, but I will give way.

Bill Esterson: The issue of how to tell who really needs EMA to attend college has been raised with me by a number of college principals. Does the hon. Gentleman have any thoughts—I hope that the Minister will also address the point—on how college principals are supposed to identify who really needs support, and who to withdraw it from and who to leave it with under the new arrangements? What will be the basis for those decisions? There is an estimate that 10% of students will drop out. How will they be identified?

Julian Sturdy: If I am correct—I hope the Minister will highlight this point—we are saying that we will give college principals the power to allocate funding. It is about devolving local decisions to local people and I will speak further about that later in my remarks. I am looking at this issue from the point of view of those in my constituency, including the two principals who have contacted me. I believe that such people are best placed to take such decisions because they have local knowledge, which is important. I am not present just to speak in support of the Government—I do broadly support them, but I have some concerns that I shall outline in more detail.

The flaws in the central administration of EMA are well known. Last year alone, the running costs of the scheme totalled a staggering £35.8 million. That is of concern and I welcome news of the increased discretionary learner support funds that will replace the EMA. That support will be targeted more directly towards those from the lowest income households to ensure that accessibility to post-16 study remains viable and attractive for all students. That is the crucial part of the policy.

I welcome the decision to localise the distribution of the learner support funds by empowering local colleges and educational providers to carry out that administrative role. That process will hopefully save money that should be going to students in the first place. Some will argue that such a transfer of responsibility will increase the workload for colleges, but in my view it is right for local education providers to use their local knowledge to tailor the support offered to young people in their specific areas. That is a local and flexible solution to the problems of poor and costly administration.

I am generally supportive of the measures outlined by the coalition but I hold two reservations about the new system. First, I am concerned about ending the scheme for those students who will be only half-way through their courses by next summer. I support the new system, but I believe that it would be better for those already receiving EMA payments to see the initial agreements honoured. My second concern, which has been raised already, relates to transport. Many students who attend colleges across York and North Yorkshire rely on EMA to help meet their travel costs. Many have £10 automatically withdrawn from their allowance in return for a free bus pass. Given the likelihood of cuts to local authority transport subsidies, I would be interested to know whether the Government are considering the introduction of any transport-related financial assistance for full-time 16 to18-year-old students. In essence, however, I hope that all of us in the Chamber today share the same goal to protect and enhance the accessibility to education that our 16 to 18-year-olds currently enjoy and deserve. That is a noble and worthwhile ambition, and countless colleagues across the coalition genuinely share that vision.

The choice is not merely between EMA on one hand and no financial support whatsoever for 16 to 18-year-olds on the other. If that were the case, it would be quite wrong. Instead, an unwavering commitment to those who face genuine financial barriers to participation can be delivered through a more localised and efficient scheme, and that is why I broadly support what the coalition Government are doing.

Katy Clark (in the Chair): Order. I remind hon. Members that they must stand if they wish to speak.

2.54 pm

Lisa Nandy (Wigan) (Lab): I congratulate my hon. Friend on securing this important debate and welcome the fact that there is a show of strength here today. That will give some heart to those students sitting in the audience or watching the debate on the television who will have been horrified to hear themselves described as dead-weight by some hon. Members. Hon. Members from all parties should be careful in the way that they talk about this important issue. Those students and their financial support are not dead-weight in any sense. They are not dead-weight in the offensive way in which such language is used, and neither are they dead-weight based on the evidence. I echo the comments made by my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) when she pointed out that the study on which the Government have based most of their evidence is highly unrepresentative of her constituency and of mine, and of most of those students who rely on EMA to finish their courses and ensure that they do not suffer extreme hardship as a result.

Jeremy Corbyn (Islington North) (Lab): Is my hon. Friend aware that before the EMA was introduced it was trialled in Hackney, which had an amazingly successful response and a much higher take-up of college places? That has now led to a much higher take-up of university places and the scheme has proved a success all along the way in what is Britain's poorest borough. Does she think that the Government study ought to look at places such as Hackney that have a much longer experience of such schemes, rather than looking at other places and coming up with those rather curious figures? EMA is the gateway to higher education, is it not?

Lisa Nandy: I thank my hon. Friend; I was not aware that the scheme had been piloted first in Hackney. I urge the Minister to take heed of those words and also look at places such as Wigan where the scheme has had considerable success. My hon. Friend touched on an incredibly important point. Last Friday I went to my local college, Winstanley college, and heard from students.

They said that not only was EMA incredibly important for them to get through college, but that they were now facing the double whammy of thinking that even if they get through college and face considerable hardship in order to do that, they will then have to pay incredibly high tuition fees. Those students feel that barriers are being put in their way over and again, and many of them are wondering whether it is worth enduring such a level of hardship because even if they get the opportunity of going to university, that will not be a realistic option. We must consider that point.

A vast range of research shows that EMA has actually been incredibly successful. I have examples from the Manchester college, CfBT education trust, the Learning and Skills Council and Wigan and Leigh college, which sent me an incredibly powerful set of evidence based on surveys and interviews with students. The point made powerfully by students and the principal of that college was that EMA is not only about alleviating hardship, but it is a bargain between the state and the students. That bargain says that if someone works hard and tries hard, it does not matter what sort of background they come from and they deserve to do well and be supported. It is outrageous that those students should now be asked to face financial hardship in order to achieve at the same level as their peers. It is also outrageous that 50% of students who receive EMA in my local college have a 99% retention rate, yet they are now being told by the Government that it does not matter that they have stayed on, worked hard and kept their side of the bargain. That is particularly urgent for those students who are in their first year of college. They have recently been told in responses to questions asked by myself and my hon. Friends, that they will now lose their EMA halfway through their course. Of the 1,000 students currently in the first year of study at Wigan and Leigh college, 75% say that they will drop out at the end of this year. That is horrifying, and I hope that the Minister will listen to that.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Apart from Askham Bryan campus in Guisborough, and Prior Pursglove college and neighbouring FE colleges in Middlesbrough, Redcar and Cleveland, a number of small and medium-sized enterprises are concerned about the withdrawal of EMA. EMA funds a number of apprenticeships in engineering and other skilled trades that have traditionally been sceptical and scared of investing in apprenticeships, unlike bigger former companies such as Imperial Chemistry Industries and British Steel in Teesside. The new SMEs have not been as proactive, and are only now beginning to increase the number of apprenticeships. By getting rid of the EMA, we may undermine those skill programmes.

Lisa Nandy: I thank my hon. Friend for his intervention. I agree with him. One of the worst things that we saw under the previous Conservative Government was that a range of young people throughout the country were left with no sense of hope for the future. Seeing people without hope for the future is devastating, but seeing young people without hope for the future is even worse. We must not return to that situation.

I have three final points. First, colleges urgently need to know what will replace the EMA. The details of the discretionary learner support fund are sketchy. Colleges need to know whether, in reality, this will be a £500 million cut. Yesterday, the Secretary of State, appearing before the Select Committee on Education, could not confirm the position to hon. Members.

We need to know urgently whether travel costs will be taken into account and what else the discretionary hardship fund will be able to cover. In my constituency, like many other constituencies, travel is one of the prohibitive factors to attending college. Despite a number of people living in the town centre, Wigan is essentially a rural seat, and students would not be able to travel to college without the EMA.

Tessa Munt (Wells) (LD): The travel situation in Somerset is exactly the same, but there are aspects to rural education that are even more critical. Towns such as Shepton Mallet and Glastonbury do not have sixth forms attached to their schools. Therefore there is no option for students but to travel. There are schools that do have sixth forms, but they do not cover the full range of subjects, so people such as my daughter, who wanted to study environmental science and politics, had to travel to Bridgwater college, which is some distance away. Cutting the EMA will place serious restrictions on the courses that young people can study.

Lisa Nandy: The hon. Lady is passionate about this issue and has raised it many times. I would like to echo her comments.

There is compelling evidence that the EMA pumps millions of pounds into local economies throughout the country. In my Wigan constituency, where people are losing jobs and homes, and particularly in former coalfield areas, where, despite significant investment, the legacy of those times remains, the EMA could not be more important. The policy is short-sighted from that perspective.

I draw hon. Members' attention to the IFS study published yesterday. It points out that savings in the short term simply do not make sense, because if we invested in our young people in the short term, we would more than recoup that in the long term.

Pat Glass (North West Durham) (Lab): I was very interested in what my hon. Friend the Member for Islington North (Jeremy Corbyn) had to say about the pilot in Hackney, because as a young education officer 25 years ago in Gateshead, I was managing a service that was delivering EMAs. It was paid for by the local authority. The young people who received EMAs then are now the parents of the schoolchildren in Gateshead, who, as the Secretary of State often points out, are outperforming similar children under similar authorities across the country. The EMA is not only about student support. It is a gateway to higher education. It is about investing in the local community. Indeed, it is a long-term investment in standards.

Lisa Nandy: I agree with my hon. Friend. Many hon. Members want to speak, so I shall end by saying that it is precisely in such difficult economic times that we should be investing in our young people and sending a very strong signal to them that they matter and their futures matter. I urge the Minister to think again.

3.3 pm

Margot James (Stourbridge) (Con): Thank you for allowing me to speak, Ms Clark. I congratulate the hon. Member for Erith and Thamesmead (Teresa Pearce) on

[Margot James]

securing the debate just before the end of the year at such a timely point in the Government's decision-making cycle.

Before the comprehensive spending review, I wrote to my hon. Friend the Minister, urging him to retain the EMA. There are two excellent colleges in my constituency: a sixth-form college, King Edward's, where 35% of students receive the EMA, and a very good further education college, Stourbridge college, where 63% of students receive it. I wrote to the Minister to express my concern that the withdrawal of that benefit would deter students from poorer backgrounds from continuing their education, so I well understand the points that have been made in the debate.

I accept that we are in a very different situation, economically and in terms of raising the compulsory leaving age for those in full-time education to 18, from the position that applied when the EMA was introduced, almost a decade ago. My purpose in taking part in the debate is not to seek to change the decision to replace the EMA with a more targeted, enhanced discretionary fund, but to bring to this Chamber the views and concerns about the successor arrangements expressed to me by staff and students of both the colleges that I mentioned.

Last week, during the debate on tuition fees, I was lobbied by Kim Hughes, president of the student union at Dudley college. Dudley college is not in my constituency, but a lot of students studying there reside in my constituency, so it was a pleasure to meet Kim and her accompanying member of staff, Natasha Millward, who approached the mass lobby of Parliament in the true democratic spirit, seeking to inform me, as one of the Members whom they visited, in a proper manner. I was indeed informed about things that I had not previously realised concerning the enhanced discretionary fund proposals.

I shall explain the main concerns that Kim Hughes and Natasha Millward raised with me. First, the rules governing the existing learner support fund exclude the use of moneys from that fund to pay for travel, which is the point that almost every hon. Member in the debate so far has made. Secondly, they raised the issue of the increased burden on colleges in administering an enhanced form of the learner support fund at a time when colleges, like every other public sector organisation, are being expected to reduce their administrative costs.

I am particularly grateful to the principal of King Edward's college, Sharon Phillips, for questioning this week a random sample of students who attend the college. I appreciate the fact that the students took part and gave such honest feedback. Just 10% of those interviewed said that they thought that they would not have attended college if they had been unable to claim the EMA. I accept the point made by some hon. Members that that is not necessarily the only way in which we should judge whether the other 90% were suitable candidates for the EMA, but I do believe that it is a relevant point and it backs up the research already mentioned in the debate.

Some students who took part in the interviews suggested that the system has been open to abuse and that one way of dealing with that would be to substitute vouchers or free travel passes for the payment. Vouchers would add too much of an administrative burden, but we already administer a system of travel passes for older people, so surely it is not beyond our wit to administer them to young people from poorer backgrounds. That could be a way round the administrative burden falling exclusively on colleges.

The students made other points, and I want to bring to the Minister's attention the principal's comment on the findings from her research. Although only 10% of her students told her that they would have been unable to attend college without the EMA, she felt that recruitment by colleges in less affluent areas might be disproportionately hit by the withdrawal of the EMA.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): My hon. Friend makes a very powerful point. My point follows on from the one made by the hon. Member for Wells (Tessa Munt) about rurality, because that is where things get disproportionately out of sync. Even if there are vouchers or whatever, these children will not have a chance, and places such as Bridgwater college will lose a vast number of students, as will Strode college in the Wells constituency. Does my hon. Friend agree that the matter needs to be reconsidered completely where rurality is in play?

Margot James: I thank my hon. Friend for his intervention. I am not sure that we are in a position now to revisit the entire proposal to replace the EMA with the enhanced learner support fund. I very much appreciate his intention to do that, but the challenge for the Minister is to ensure that the replacement arrangements are adequate and err on the side of generosity to ensure that students from poorer backgrounds can continue to access further education.

Let me conclude by reinforcing the three messages that I want the Government to consider as they move forward. First, the enhanced discretionary fund should be revised to allow recipients to spend part of their remuneration on travel to and from college. That is particularly important, and I think that I am right in saying that every Member who has contributed so far has mentioned it.

Jeremy Corbyn: The hon. Lady must be aware that among Ken Livingstone's many achievements while Mayor of London was the provision of free bus travel for students. That has encouraged many students to stay on at college, and it has greatly assisted them. Might not other local authorities and transport areas think of following suit?

Margot James: I thank the hon. Gentleman for his intervention, and I am well aware of the former Mayor's generous travel schemes. Consideration should be given to allowing students—young people from poorer backgrounds—to have similar free travel passes. I would certainly support that proposal.

Let me return to the other two points that I wanted to make to the Minister. Colleges are closer than central Government to their students, and they are therefore better placed to decide who is in real need of financial support, but the additional administrative burden that the change will place on them needs to be acknowledged, and there needs to be some practical support.

Finally, I mentioned that I would like the Government to err on the side of generosity in the replacement arrangements and to increase significantly the money that we invest in enhancing the learner support fund. A greater proportion of students from less affluent parts of our country and less affluent backgrounds who really are in need will then gain some benefit. I trust that the Minister will recommend those enhanced arrangements to Parliament as soon as possible in the new year.

3.12 pm

Karl Turner (Kingston upon Hull East) (Lab): It is an absolute pleasure to serve under your chairmanship, Ms Clark. I congratulate my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) on securing the debate—its timing could not have been better.

I will focus my remarks on EMA and, more appropriately, on the Government's intention to scrap it. EMA is absolutely crucial for my constituents. Removing it will damage the hopes and aspirations of young people across the country, but the effect will be particularly bad in my constituency. The present policy represents yet another damaging U-turn by this Government; it is another Lib Dem let-down and a massive betrayal of the hopes and dreams of young people. It sends a resounding message to 16-year-olds who aspire to improve their lives. It leaves talent unfound and unnurtured, while reinforcing poverty traps and dividing further those who are fortunate from those who are not.

Before I develop those points further, it is important to highlight EMA's success. My hon. Friend the Member for Islington North (Jeremy Corbyn) was right to say that it was piloted in Hackney. That was in 1999, and EMA was launched across England in 2004. Research by the Responsive College Unit found that it encouraged 18,500 young people to participate in further education in the first year it was rolled out nationally. Those young people would not have had that financial support or that incentive to enter further education were it not for EMA. Similar research from the Institute for Fiscal Studies suggests that young people who receive EMA go on to achieve the qualifications required to succeed in life. The percentage of learners receiving EMA who achieve level 2 qualifications has increased by approximately 6%, with specific improvements in ethnic and minority groups.

The facts are clear: this policy was an absolute success, and we should make no mistake about that. To suggest otherwise is completely misleading. EMA truly encouraged young people to go on to achieve what they deserved and desired. It boosted attainment among those facing the biggest challenges in life and enabled them to succeed.

Graham Jones (Hyndburn) (Lab): Will my hon. Friend add one important element to that—confidence? EMA gave young people confidence.

Karl Turner: I absolutely agree. I am sure that that point will be reiterated time and again throughout the debate.

The Minister is well aware of the facts and of EMA's successes. So, for that matter, are the Prime Minister and Secretary of State for Education. Before the election, the Conservative and Liberal Democrat parties were quick to deliver assurances that EMA would be protected. Referring to the then Secretary of State for Education, my right hon. Friend the Member for Morley and Outwood (Ed Balls), the Secretary of State, in a *Guardian* question and answer session on 2 March, stated:

> "Ed Balls keeps saying that we are committed to scrapping the EMA. I have never said this. We won't."

That was not true.

Speaking of education maintenance allowances, the then Leader of the Opposition, who is now the Prime Minister—he is never one to miss an opportunity—said,

> "no we don't have any plans to get rid of them."

Seven months is a long time in politics. What message is the coalition sending to young people about politics and our society? Sixteen to 18-year-olds across the country are being told that education is for those who can afford it, while those who cannot, need not apply.

Given EMA's successes and the help that it has offered thousands of young people, the current proposal raises the question of whether the Government are comfortable punishing the disadvantaged.

Simon Kirby: Will the hon. Gentleman give way?

Karl Turner: Not at the moment.

The message is clear. Young people have felt the brute force of this economic vandalism. This generation of young people have had the cruellest introduction to the world of politics. They have barely dipped their toe in the water, but they have been hit by wave after wave of ignored pledges, broken promises and closed ears. The coalition has defined politics for an entire generation in terms of distrust, and the coalition parties will not easily be forgiven. The scrapping of EMA leaves us in a situation where talent will be stunted due to inadequate means. Just under 5,000 young people in Hull will be locked out of further education and, therefore, higher education, and they will have any aspiration quashed.

As I said at the outset, my constituents are particularly affected. Gary, who lives on the Longhill estate in east Hull, cannot afford to pay for his textbooks, stationery or travel, but his EMA allows him to.

Simon Kirby: Will the hon. Gentleman give way?

Karl Turner: Not at the moment. Many hon. Members are eager to speak, so you will forgive me, Ms Clark, if I do not give way.

Debbie, who lives on Bransholme, does not have the luxury of ambitious parents. She says her parents do not understand the value of further education. She says that they cannot afford to, and will not, pay for her to study, but that EMA does just that. Darren lives on Greatfield estate. His parents are among the lowest 10% of earners in the country, earning just less than £16,000 a year. He needs to pay board, but he cannot afford to. However, his EMA allows him to contribute to the family pot. EMA allows individuals to break through the boundaries and access further education. It puts an end to generation after generation of young people being locked out of further education. It truly enables social mobility.

It is illogical that, on the one hand, the Secretary of State for Work and Pensions is emphasising the importance of breaking the cycle of welfare dependency, while, on

[Karl Turner]

the other, the Education Secretary is removing the support that would enable young people to do better for themselves. If we want families to break free from welfare traps, surely it is important that we instil in our young people a thirst for education, and underline the importance of that. Offering students EMA provides them with an incentive and support to help them along the way. If Gary is without his EMA he will be without his A-levels, and therefore without his physics degree. The domino effect continues. Science and the state will be without that young talent. Can the Government honestly say that they will withdraw their support for Debbie to complete her course, denying her the chance of achieving her true potential? What about Darren, who will no longer be able to complete his NVQ in fashion design? Should he be locked out because he simply cannot afford to do the course without financial support?

I have not even mentioned the unprecedented hike in tuition fees. Even those who are lucky enough to make it through further education will have a mountain to climb on the other side as they face the prospect of £9,000-a-year fees. Let us imagine the situation, in which any of the 16-year-olds whom I have mentioned managed to complete access-to-university courses without support, but then are faced with the prospect of convincing their parents, who are of modest backgrounds, that they are about to embark on a three-year degree course that will cost them £27,00 – and no doubt an awful lot more, when accommodation and living are taken into account. I know what my parents would have said to me. I left school at 16 with few qualifications. I ran a business for a while and eventually, when I was financially stable, I went off to do A-levels before completing a law degree. I eventually qualified as a barrister in 2005 at the age of 34. When I was nearing the end of pupillage, I was possibly the most elderly pupil at the Bar; so I know what a struggle it is to get educated.

I have no doubt that without the Labour Government's lifelong learning agenda I would never have had the academic success and confidence to reach the dizzy heights of membership of the Bar, and of being elected to this place. We should make no mistake. The Government's policy on further and higher education is not progressive. It is shamefully regressive. It effectively does away with further and higher education for those who cannot afford to pay for it. The Government are more than happy for further and higher education to become the privilege of the few. Those who can afford an education will pay for it and those who cannot simply will not have one. That is the reality of the Government agenda. I hope that hon. Members will forgive me if I appear angry, but the subject makes me extremely annoyed. The Government will not easily be forgiven by those young people, who are locked out of further and higher education.

EMA is important not only to the family and the student; it has a wider social benefit. Why do the Government insist on washing their hands of post-16 education, leaving the next generation unable to get access to the qualifications that they require to improve their lives? We hear a lot of talk from the Government about fairness. Is this fair? Is it productive, or is not it narrow-minded, ideological, regressive and wholly flawed? I know where I stand. I ask the Minister to look again and to think very carefully about the choices that are being made, and about the aspirations of our constituents. I ask him to put the brakes on and allow Gary, Debbie and Darren, my constituents who have bothered and troubled themselves to e-mail me about their stories, the chance to improve their situations for the benefit of us all. I cannot support the Government's attempts to create a divide in the education system between those well off enough to pay and those less fortunate, who cannot. For those reasons I will actively oppose the Government every step of the way.

Katy Clark (in the Chair): Order. I remind hon. Members that a considerable number still want to speak: the shorter the contributions, the more I can call.

3.25 pm

Dan Rogerson (North Cornwall) (LD): It is a pleasure to serve under your chairmanship, Ms Clark. I congratulate the hon. Member for Erith and Thamesmead (Teresa Pearce) on securing the debate and introducing it in measured terms that addressed the issues—unlike, perhaps, the hon. Member for Kingston upon Hull East (Karl Turner), who would not take an intervention from the Government side but was happy to repeat the same two points endlessly. I do not think he really took the debate any further forward.

I have concerns about a change from EMA to a college-based system, as, of course, do many students. My constituency has five secondary schools, four of which have sixth forms. That is the model on which much education has been delivered in such market towns. Of course, we also have an excellent and large dispersed Cornwall college group, including Duchy college in my constituency, which I visited on Friday, and several other campuses throughout the peninsula, which deliver a huge range of vocational and academic courses that are vital to the future of the young people concerned.

We must consider the situation we are in. The hon. Member for Kingston upon Hull East was very clear about where he stood and about wanting to condemn and attack the Government, but I did not hear a lot about options for doing anything different. That is what we have to consider about the present situation. I should be quite happy to enter into a debate if we heard exactly what his Government would have done. In the run-up to the election, they talked about the cuts they would have to make if they were re-elected, but of course there is no detail about where those cuts or changes would have come from.

Karl Turner: We know where you were on tuition fees.

Dan Rogerson: The hon. Gentleman can look at *Hansard* and see how everyone in the Chamber voted. I think we should stick to the debate that we are having today.

The key question for me is how we are using money that should be targeted at the people who need it most. I have had e-mails from constituents who are very concerned, and I accept that there will be some people whose plans for the future will be affected and who will need to think very carefully about what they can do. I shall return to the issue of transport, which is crucial, particularly in an area such as mine.

I have had e-mails from a constituent in Camelford, whose daughter and son get EMA for their education and feel that it is not enough. There is a transport element to getting to the college, and other costs. They believe that they need greater support to secure that. However, they are also aware of other people in the town—and I accept that this is anecdotal—who they feel do very nicely, go on all sorts of holidays and have a wonderful time, and are still in receipt of EMA. That suggests to me that there are, as happens in all areas, some people who are getting support that would perhaps be better targeted at those who need it most.

The Government's response to the issue is, understandably, to consider the overall budget; but it is also to think about targeting. There are concerns, in a college group such as Cornwall college group, that some people have come into education in the past few years because support is available. I do not accept the argument of dead-weight, but we must also accept that there are people who get EMA who would have gone into further education at 16.

Joan Ruddock *rose—*

Dan Rogerson: I shall give way in a moment, but I want to finish the point. The hon. Member for Erith and Thamesmead was keen to point out that there are perhaps other benefits to the support, rather than just whether someone would attend. That is an important consideration, but the primary one, and what most of the debate has focused on—particularly the remarks of the hon. Member for Kingston upon Hull East—is people not being in education at all and getting out entirely.

Whether people in receipt of EMA may attend a bit more because it has the attendance component is a separate issue. The hon. Gentleman levelled the charge at the Government that people will just not receive education; they will just not go. I do not accept that, because the Government system will have to, and will, address—or if it does not, a lot of Members on this side will want to know why—those people on the margin, where there is an effect on the decision whether to attend.

Several hon. Members *rose—*

Dan Rogerson: I have already agreed that I will give way to the right hon. Member for Lewisham, Deptford (Joan Ruddock).

Joan Ruddock: I am extremely grateful to the hon. Gentleman for giving way. EMA was also piloted in my constituency, so would he accept from me that there is a dimension with which he will be less familiar than I am—ethnic minorities? At Lewisham college, half the students pursuing FE courses are from ethnic minorities and 45% of students are on EMA. He may like to acknowledge that there is a special reason why it has created new advantages and encouragement to people who might have been less inclined to stay on at school.

Dan Rogerson: I welcome the right hon. Lady's intervention. There will be significant other factors in areas different from our own, despite proximity and good public transport. They will be issues such as the ability of families to offer support. In my area, there are issues such as whether young people can physically get to education, which is why transport is crucial for me.

Several hon. Members *rose—*

Dan Rogerson: I shall give way to my hon. Friend, and then bring my remarks to a close so that others can speak.

Simon Hughes (Bermondsey and Old Southwark) (LD): Following the point made by the right hon. Member for Lewisham, Deptford (Joan Ruddock), I have real concerns about where the Government are going on this—let me put my hands up and say that clearly. The Government have to get this right, otherwise lots of people, in all our communities, will not choose to go to FE college at 16 or 17. The viability of some FE colleges will be threatened if we do not get this right.

Does my hon. Friend the Member for North Cornwall (Dan Rogerson) agree that, before making any decisions, the Government need not only a national profile, but to know the impact of the policy by local authority area? We need to look at the ethnic mix and at the socio-economic background of the families involved, to see where the youngsters come from. Are they single-parent families, families with no parent earning or families with parents and more than one child or young person in education? They are all factors, and we need the information before any sensible, methodological decision is made.

Dan Rogerson: I thank my hon. Friend for his contribution. He is right: we need to be confident that the system the Government are moving to and adopting is fit for purpose and provides a framework in which colleges can operate. That point was made in an earlier intervention as well. How will colleges take the decisions? In what framework will they operate? That is important.

I would like to question the Minister on transport and on ensuring that, in an area such as rural north Cornwall, choice will not be restricted simply by the inability of young people to access the courses they can access at the moment, as my hon. Friend the Member for Wells (Tessa Munt) said. I hope the Minister and his colleagues will take into account all local factors when they look at the system, which will have different impacts in different areas. If the total budget is reduced, as, unfortunately, it has to be, we should have a system that is targeted effectively and ensures that people are not deprived of the educational opportunities that will mean so much to them in future.

3.33 pm

Graham Jones (Hyndburn) (Lab): It is a pleasure to serve under your chairmanship, Ms Clark, and I congratulate my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) on securing the debate. I shall try to keep my comments brief, because I know that others wish to speak.

The discretionary learners support fund is a mere 13% of the money provided under the educational maintenance allowance. Do the Government estimate that the number of people in need of financial support through further education is only 13% of what it once

[Graham Jones]

was or are Members arguing, as has been suggested, that youngsters will still go to college, but they will go impoverished?

Nearly 19,000 students in Lancashire rely on the EMA to give families the financial flexibility that allows them to continue to study. My hon. Friend the Member for Sefton Central (Bill Esterson), who is no longer in his place, and my hon. Friend the Member for Kingston upon Hull East (Karl Turner), noted that students in receipt of EMA outperformed other students—by 7% in Sefton and 6% in Hull East, I think. In areas such as my constituency, the EMA often means the difference between going on to further study and not doing so.

Stephen Carlisle, the principal of Accrington and Rossendale college, which is our local college, told me that he is expecting a big drop in numbers. He believes the withdrawal of the EMA

"will impact on the ability of poorer students to go to college".

The college will have to use its already stretched budget to help those disadvantaged students because, as Mr Carlisle said:

"We can't cast them aside and just educate those who can afford to go".

Dr Sarah Wollaston (Totnes) (Con) *rose—*

Graham Jones: I will not give way. I want to make some progress, because there are other Members who wish to speak. I do not have a lot of comments to make.

The experience in the college reflects the comments of a lot of other principals; it is not only Mr Carlisle who is expressing that opinion, and when it comes from the educational establishment, I think we should listen.

I could suggest that, in reality, the figure set aside for the new fund was plucked out of thin air and does not reflect any proven need. One might go as far as to say that it is nothing more than a token attempt to ease the pain of taking money from those who need it. However, this is just one part of a wider attack on education. If the Government are so keen to show adherence to the Browne report, why are they ignoring one of its main recommendations—the increase in university participation by 10%—by scrapping a policy that has been shown to increase attendance?

Even by the estimate, which the Government accepted, of the National Foundation for Educational Research, the EMA accounted for 12% of those who attended university. They are people who otherwise may not have gone. The trebling of tuition fees has already made meeting Lord Browne's 10% increase in participation unlikely, and scrapping the EMA will make it extremely difficult.

Government Members ask what the alternative is; I think the alternative is simple. The cuts are too fast, too deep and they go too far, as we, on this side of the House, have stated. That is a basis for rejecting the proposal. To sum up, the discretionary learners support fund is a token attempt to give a facelift to a counter-intuitive policy.

3.36 pm

Dr Sarah Wollaston (Totnes) (Con): During the conference recess, I took the opportunity to visit the sixth forms in my constituency. Many of the students I met were underwhelmed by EMA. Many felt that it was unfair because it was poorly targeted, and many told me stories of friends who spent the money inappropriately. Overwhelmingly, the students felt that the priority, particularly in my very rural constituency, was getting to college in the first place. The hon. Member for Islington North (Jeremy Corbyn) made the point that in London students already benefit from free travel passes. In a rural constituency such as Devon, that would be extremely difficult for the council to implement.

I would like the students in my constituency, who attend excellent colleges such as KEVICC—King Edward VI community college—South Devon college and Paignton community college, to be able physically to get to them in the first place. The students were asking for free or greatly subsidised travel. I call on the Minister to respond to the point that many hon. Members have made today and make transport part of a much enhanced programme of support arrangements—particularly for disadvantaged students, such as those from low-income families, for whom that really makes a difference in helping them to get to college. They do use the allowance for that.

3.38 pm

Paul Goggins (Wythenshawe and Sale East) (Lab): I congratulate my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) on securing the debate. I shall take a couple of minutes to give voice to some of the students I met on Monday at the Manchester college Benchill campus in my constituency. Manchester college has 6,000 students aged 16 to 19, 60% of whom claim EMA. They told me about the practical benefits that EMA brings them. It means that they can pay for their bus fares, food at college, books and equipment.

Some of the young men, who were explaining the training that they were doing for trades, told me that they need to build up a kit while they are studying, which can cost as much as £600. Those are real, substantial costs, which the EMA is helping to offset. They all feared the burden that they may become to their parents, particularly bearing in mind that many of them have brothers and sisters who, when the EMA is gone, will face the same dilemmas. I agree with my hon. Friend the Member for Wigan (Lisa Nandy): we should stop using the dead-weight cost expression—it is not any way to describe hard-working students.

With regard to staying on, the majority of students told me that without EMA they would still have gone to college. Some of them would not. All, without exception, said that without EMA they would not have studied as successfully, because they would have been under more pressure to take on part-time work, and would have had the wrong balance between studying and the rest of their lives.

EMA makes an incredible difference to how students are able to focus and concentrate on their studies, settle into work on their courses and achieve a great deal. I urge the Minister to think again about this policy; it is even more destructive to the hopes and ambitions of my young constituents than the decision that the Government put through last week.

3.40 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I congratulate my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) on securing

this important and timely debate. I also congratulate my hon. Friend the Member for Wigan (Lisa Nandy), who has had to leave. I know she has been trying for some time to secure the debate, together with our hon. Friend.

Both hon. Friends are proven great champions of young people from low-income backgrounds. I look forward to the Minister's response to the strong arguments that we have heard today. My hon. Friend the Member for Wigan is also a prolific tabler of parliamentary questions, and I commend her for her persistence on this issue; I only wish that Ministers would get into the spirit of open democracy and answer some of the questions more promptly.

This has been a good-natured and high-quality debate, considering the passion that the subject evokes, especially in our party. The debate is not yet over, so perhaps I should not speak too soon. However, I will try to stay within that spirit. We have had some strong speeches, although probably not as many as we would have liked, as a number of hon. Members have not been able to speak. I hope the Minister will take that on board and perhaps ask whether this matter should be debated on the Floor of the House in Government time.

Those who have spoken include: the hon. Members for York Outer (Julian Sturdy), for Stourbridge (Margot James) and for North Cornwall (Dan Rogerson); my hon. Friends the Members for Kingston upon Hull East (Karl Turner) and for Hyndburn (Graham Jones); and the hon. Member for Totnes (Dr Wollaston), who was very brief, as was my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins). There were some excellent contributions and I am sorry that I do not have time to go through them all in detail.

We have had a lot of debate on EMA this week, including the "Save EMA" national campaign day in Westminster and around the country, when 60,000 young people sent a clear message to the Government that this policy is unfair. Yesterday, we had an extremely embarrassing report from the Institute for Fiscal Studies—referred to by some hon. Friends—which laid bare the ridiculously weak evidence base the Government use to support their position.

Nic Dakin (Scunthorpe) (Lab): In mentioning the IFS, my hon. Friend draws attention to the fact that the Government spent a lot of time insisting on the NFER study, which focuses only on participation. EMA, does she not agree, has four main purposes—participation, attendance, attainment and supporting the well-being of people from disadvantaged backgrounds in education? Those things have not been evaluated properly, though the IFS study reported yesterday started to do so.

Mrs Hodgson: My hon. Friend makes a valuable point, one which I hope the Minister and Government will consider before coming forward with an announcement in this regard.

This morning we had a very good seminar in the Boothroyd room, at which young people, teachers and administrators from across the country—including Becky, Codie, John and Jordan from Hylton skills campus in my constituency—talked to politicians about what scrapping EMA will mean to them. It was a shame that the Minister could not be there. With respect to all hon. Members who have contributed to this debate, it would have been much more valuable for the Minister to have heard first-hand what young people and those who work with them say to those of us willing to listen, about how much impact this choice will have on the lives of people from the poorest backgrounds.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I wanted to put that question to the Minister, had I had the opportunity to speak. How many colleges have the Government spoken to about this policy? I spoke recently to staff from Newcastle college, which carried out a survey of all its EMA recipients, 85% of whom use it for transport costs. I was alarmed to hear it stated in this debate that EMA is regularly and widely abused. That is not the experience of colleges that I have spoken to.

Mrs Hodgson: That was definitely not the experience that Members heard from students this morning. We heard some powerful and at times very moving contributions. Many students told us how EMA is barely enough at the moment to cover their travel costs and their lunch. A young man called Luke told us of his peers who could not eat before or at college because their money did not go far enough. How many more will be in that position when EMA is removed? We know that eating well leads to better attainment. Even though the Minister and his colleagues scrapped the extension to free school meals, he must acknowledge the scientific evidence.

We heard from the principal of Lambeth college that EMA had led to a rise in participation and achievement and a fall in drop-outs. We heard from Cath and Alex, who had brought the young people all the way down from my constituency in Sunderland, that EMA helps young people with financial planning, which reduces the likelihood of their getting into debt in later life. We heard from a student who had dropped out of school in year 8, but was now studying towards GCSE-level qualifications because of EMA. We heard from a young single mother, who could only attend college and take her child to the crèche because of EMA. We also heard from all the staff that EMA was helping young people.

The most poignant moment was a comment from John, who with his peers had got up at 4 am to come down from Sunderland for the meeting. He sat there until the end, then said:

"Sharon said on Friday that I should follow my dreams. EMA gives me the chance to follow my dreams, and if you take it away, I don't know what I'll do."

Lilian Greenwood (Nottingham South) (Lab): I will be brief. I wanted to share an example from my constituency. Kyle Simpson is a young Olympic hopeful training alongside Rebecca Adlington. He says EMA makes such a difference. His mum contributes to his training fees, and EMA enables him to go to college and have a little bit of money for transport, food and something of a social life, when he is not training and competing in swimming competitions.

Mrs Hodgson: That is another very good example. Many of the young people I met today were in their first year of study, and had undertaken to stay on in the sixth form or college on the understanding that that support would remain for the full two years. Why would they think otherwise?

[Mrs Hodgson]

After all, the man who painted himself as a modern, trustworthy leader of the Conservative party went around telling people that EMA was safe. In March, the current Education Secretary told the *Guardian*—in the nicest possible terms, as is his way—that his predecessor was a liar for suggesting that a Conservative Government would scrap EMA. In June, the very Minister sent here today to defend this policy put his commitment to the future of EMA on the parliamentary record.

Imagine the surprise of these young people at finding out that a promise from any of these men is not worth the paper it is written on. If the Minister and his colleagues in the Conservative party were as committed as they say they are to the principle of helping working-class kids access further education, why have they now turned their backs on them?

In the last debate on this subject, I heard the Government and the Minister, as well as some Government Back Benchers here, repeatedly trot out the line that 90% of EMA recipients are what they call "dead-weight". We might hear it again in the Minister's response—I hope not—despite the fact that we have heard plenty of contradictory evidence over the last hour. They should not be referred to in that manner.

I have a lot of respect for the Minister but, frankly, I find it disgusting to hear him and his colleagues talk about ambitious but poor young people as dead-weight. Never mind the fact that without EMA they might have to work every evening and weekend just to afford bus fares, food and books, because they want to better themselves. Because they want to better themselves, he believes that they are undeserving of support.

I do not know about the Minister, but I have actually bothered to go to my local colleges, as have hon. Friends to theirs, and speak to young people who receive EMA. The Minister says that nine out 10 of them would fall into the category of dead-weight, but I can inform him that the young people whom I visited are very much alive and working hard to better themselves, and they are angry with him. Some of them are around today, and they might try to catch his ear as he leaves. Perhaps he should prepare a response.

The Minister will undoubtedly be aware that the Hylton skills campus is part of the City of Sunderland college. Its excellent principal, Angela O'Donoghue, e-mailed me yesterday to tell me that the cuts would have a massive impact on her college. Some 70% of her students receive EMA, and 90% of those receive the full £30. How many of those young people would the Minister say are undeserving of help?

I shall bring my remarks to a close because we want to hear what the Minister has to say. I have done loads of sums—I know that people like to hear about my calculations—but I may have to save them for another day. However, I might write to the Minister and pass the benefit of those sums to him.

Richard Thorold, the principal of Gateshead college, which my son attends, wrote to me. He said:

"Whilst I accept that these are difficult times financially, I believe that financial support for young people continuing their education and training is a valuable investment towards creating a sustainable future for us all."

The key question for the Minister is why do the Government not think so?

3.51 pm

The Minister of State, Department for Education (Mr Nick Gibb): It is a pleasure to serve under your chairmanship, Ms Clark. I congratulate the hon. Member for Erith and Thamesmead (Teresa Pearce) on securing today's debate. I know that she cares passionately about supporting young people in their continuing education, a passion that I share.

One of the Government's objectives is full participation in education, training, or employment with training, for all young people up to the age of 18. I listened to the hon. Lady carefully, and I understand the concerns of students at Bexley further education college, where 43% of students qualify for education maintenance allowance, and those at Greenwich community college, where 38% of students qualify. Nationally, 45% of students qualify for EMA, so I am aware that the decisions that we have taken affect a large number of 16 to 18-year-olds.

We need to set the debate in the context of the budget deficit. It is £156 billion this year, the highest among G20 countries.

Graham Jones: Will the Minister give way?

Mr Gibb: I shall give way once I have finished this point.

The interest on accumulated Government debt to date is £42.7 billion per year, which represents 70% of the entire Department for Education budget. Unless we take serious measures to tackle the deficit, we will face a higher cost of borrowing as capital markets demand greater compensation for the heightened risk. Without the action that the Government are taking, we would ultimately face the economic crises that now confront Ireland, Greece, Spain and Portugal. This country was on the brink of financial crisis.

Several hon. Members *rose—*

Mr Gibb: I will give way once I have finished the point.

This country took action in the emergency Budget and the spending review. As a result, that crisis has been averted. I listened to the 14 or 15 Opposition Members who spoke during the debate, and I did not hear one alternative suggestion of how to find a saving of £500 million elsewhere in the Budget. They had no answer on how to avoid financial meltdown, or how to tackle the record budget deficit that the Labour Government left for this Government to clear up. They had no answer on how to bring our economy back from the brink.

Labour's stewardship of the economy has left young people struggling to find jobs, as employers freeze recruitment. Unless we get the economy moving again, that tragedy will persist. Not tackling the deficit will put that recovery in jeopardy. I give way to the hon. Member for Hyndburn (Graham Jones), to see whether he can tell us how to find £500 million of savings elsewhere in the Budget.

Graham Jones: Is it not the case that it was the Government's choice to cut so deep? Is it not the case that, before the election and afterwards, the Government accused Labour Members of not cutting deep enough? Is it not the case, therefore, that the Government chose

to remove the EMA for the economic decisions that the Minister has outlined? The Opposition would not have needed to do that, nor go as far, because, as the Minister says, we would not have cut the deficit so fast.

Mr Gibb: The economy would have suffered as a result.

EMA costs £560 million a year. As we heard, it has been in existence for about six years; it was rolled out nationally in 2004, following a pilot. It was successful in raising participation rates among 16-year-olds from 87% in 2004 to 96% this year. As a consequence, attitudes among 16-year-olds to staying on in education have changed. When the National Foundation for Educational Research questioned recipients of EMA, it found that 90% would have stayed on in education regardless of whether they received EMA.

Dr Julian Lewis (New Forest East) (Con): I am grateful to my hon. Friend for giving way. Does he accept that the two strands of the allowance are becoming intermixed? There is the role of the allowance in persuading people to stay on, and there is the role of the allowance in enabling people to stay on who might otherwise not be able to afford to do so.

A briefing from the Conservative Councillors' Association points out that the staying-on age will be raised, but that will not happen until 2015. What worries people such as the principal of Brockenhurst college in my constituency is that the EMA will stop in September 2011. In the limited time that remains, I hope that my hon. Friend will focus on the transition arrangements, which are of great concern to us all.

Katy Clark (in the Chair): I remind Members that interventions should be short.

Mr Gibb: I shall come to that point in a moment.

The fact is that 90% of recipients of EMA would have stayed on in education regardless. Given that evidence, the fact that we have a major budget deficit crisis and the fact that the programme costs so much each year, it was clearly going to be a candidate for major reform.

Mrs Hodgson: Will the Minister give way?

Mr Gibb: I am sorry, but I cannot give way as I have only four minutes left.

In reaching the decision to end EMA, we were of course concerned that the 10% of recipients whom the evidence said would have been put off from staying in education but for the money might then drop out of education. We believe that a payment designed as an incentive to participate—a point hinted at by my hon. Friend—is no longer the way to ensure that those facing real financial barriers to participation get the support that they need. That point was made well by my hon. Friends the Members for Brighton, Kemptown (Simon Kirby) and for York Outer (Julian Sturdy).

We therefore decided to use a proportion of that £560 million to increase the value of the discretionary learner support fund. Final decisions about the quantum of that extra funding still have to be taken, but we have already spoken of increasing the value of that fund by up to three times its current value, which stands at £25.4 million. A fund of that size would enable 100,000 young people to receive £760 each year. Those 100,000 students represent about 15% of those young people who receive EMA, which is more than the 10% about whom we are particularly concerned who might not stay on in education. The figure of £760 is more than the average annual EMA paid in 2009-10 of £730, and only slightly less than the £813 paid to 16-year-olds who received the full £30 a week, or the £796 paid to 17-year-olds receiving the full £30 per week.

We are erring on the side of doing all that we can to assist the poorest, as sought by my hon. Friend the Member for Stourbridge (Margot James). However, the Government will not set expectations on how much young people should receive from the enhanced discretionary fund. It will be up to schools and colleges to determine which young people should receive support under the new arrangements, and what form that support should take. In answer to a question, I can tell the House that colleges can use 5% of the fund for administration.

To help schools and colleges administer the fund, and to ensure that those young people who really need support to enable them to continue their education or training have access to the new fund, we are working with schools and colleges, and other key organisations such as the Association of Colleges, Centrepoint and the Sutton Trust, to develop a model approach that schools and colleges can choose to adopt or adapt.

In the remaining minute, I shall try to answer some of the questions raised during the debate. Many hon. Members asked about transport. Under current arrangements, discretionary support funding cannot be routinely used for transport to and from college. It is local authorities that have the statutory responsibility for making the necessary transport arrangements. However, we will consider that restriction as we develop the arrangements for enhanced discretionary learner support funding. The House can be assured on that point.

I have dealt with the question about administration. The hon. Member for Erith and Thamesmead asked about the sum of £174 million. That is the estimate of what will be spent on EMA in the 2011-12 financial year, the payments being made during the 2010-11 academic year. However, it will not be available in the next academic year.

Small Manufacturing Businesses

4 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): This debate is about small businesses and it is also about people. In September 2005, the life of my constituent, Don Wilson, was turned upside down when his son was tragically killed in a rugby accident while serving in the British Army. Toby was just 29 when he died, and he left behind an eight-year-old daughter. Don wanted a new start and a chance to get on with something that would ease his grief. A short while later, the opportunity came along. Don had joined Loughboro Designs (UK) Ltd in July 1984 as a metal fabricator. He rose to be a foreman and worked on high-profile projects for international clients, including New York's Mayor Bloomberg and the Saudi royal family.

Shortly after Toby's death, Don's boss retired and Don was given the chance to buy the company. Given everything that had happened in British industrial manufacturing over the past 25 years, it seemed like a good opportunity. Any high-skills specialist metals manufacturing company that could prosper for so long—the Loughboro name had been trading for more than 50 years—must be doing something right. Don said that when he bought the company, his whole family became involved: He said that it was a way to move forward in memory of Toby.

Not long after 2005, there was the sub-prime mortgage crisis in the US that led to the credit crunch and then worldwide economic meltdown. Over 18 months, the economy in Britain contracted by 6%. It is estimated that our economy is about 10% smaller now than it would have been had the recession not taken place. Inevitably, that has had a major impact on small businesses, particularly on those that are heavily reliant on capital investment for their success, because loans for capital investment dried up. In short, the slump that began with bad lending policies by the banks has hit industrial manufacturing twice as hard because of yet more bad lending policies. Loughboro is one of many firms that is under threat. My first point is about the banks and what they should do to help companies such as Loughboro for the sake of the British economy.

In August, Loughboro's bank, HSBC, announced half-yearly profits of more than £7 billion. That is the equivalent of nearly £1 million profit every half hour of every day, or of a brand new general hospital, such as St Helier that serves my constituency, every 10 days. Also in August, the Chancellor warned the UK's banks that they needed to start increasing their lending to businesses. He said that the Government would

"not tolerate banks piling the pressure"

on to small firms. Moreover, the banks have an economic obligation to assist small and medium-sized businesses. However, many small businesses still find that they are unable to get the support that they need from the banks. In Loughboro's case, despite having worked hard to reduce significantly its loan from £30,000 to £6,000, HSBC cut its overdraft facility from £25,0000 to £5,000. With new contracts due to begin in January 2011, Loughboro's inability to increase its cash flow and invest in capital puts the future of those contracts in jeopardy.

Reading other reports from elsewhere, it is clear that firms such as Loughboro are not the only ones that are teetering on the edge partly as a result of the banks' policies. The BBC recently highlighted the plight of a number of similar firms. For instance, Abcoma, a manufacturing company in Oldham, had predicted the economic downturn and had managed to pay off all its debts about four years ago. It complains that even though the downturn is over, it cannot get any working capital from the banks to make the machinery that it needs. That is despite the fact that it has a full order book worth some £1 million and that it wants to employ an extra 10 to 12 engineers. Abcoma says that even though the local bank manager wants to lend money for working capital, the powers above him make that almost impossible, even with security against property.

I have been in touch with the Merton chamber of commerce, which covers my constituency, about these issues. It has done a light-touch survey of its members. Although 45% think that next year will be good for business and 53% think that they will grow, 31% say that 2011 will be worse than this year and nearly half think that they might not grow. One of the key reasons for such pessimism is the banks' policies. Some 30% of businesses say that their main challenges in 2011 will include constraints on their working capital and 16.5% complain about the difficulty of raising finances.

I thank the Merton chamber of commerce for its help, and praise it and other business organisations for the work that they do in promoting local business. I have also contacted the Federation of Small Businesses—I cannot praise it highly enough—about banks' lending policies. It, too, made a range of very good points. As small businesses do not have the range of options that medium and large businesses have to raise finance, they rely heavily on banks for support. The FSB complains that small manufacturers have not been able to access affordable finance from the banks, and that that has been holding back the economic recovery. It also complains that many bank managers, particularly those who are distant from the firms, do not understand the manufacturing sector and do not appreciate the kind of finance that it needs from them. Many firms that want loans of only £10,000 to £20,000 are told that £35,000 is the minimum, and that adds unnecessarily to their costs.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my hon. Friend on securing this very important debate. Small businesses are so vital to economic recovery. May I draw my hon. Friend's attention to this recent report by IfM Education and Consultancy Services on effective support for smaller manufacturing businesses? The key finding to emerge from all its studies was the common-sense one that effective support has to be carefully targeted at the particular circumstances and priorities for growth of each individual small business. Does not the experience of the firm in her constituency and the others that she talks about bear that out, and is that not something that the Government need to take on board?

Siobhain McDonagh: I wholeheartedly agree with my right hon. Friend. Loughboro found that its most flexible short-term access to money, through its overdrafts, was suddenly and arbitrarily cut. The FSB would like to see a broader range of affordable finance to small manufacturers to reduce the dominance of the banks—for

instance by creating community development finance initiatives to help small manufacturers. The FSB also wants high street banks to create a central contact point for manufacturers so that they can be supported more effectively, and reform to the banks application systems better to understand the needs of small manufacturers.

I am sure that the expensive lobby firms and the in-house public affairs teams employed by the banks will be listening to this debate or reading it in *Hansard*. I urge them to tell their chief executives and their boards that they are doing themselves and our economy no favours, and that the British public will continue to hold them to blame. I call on them to listen to the points that our small businesses are making through me today.

Earlier today, nearly a month after I contacted HSBC about Loughboro, and after weeks of chasing, I had a phone call from Andy Grisdale, its head of strategy implementation for UK commercial banking. I cannot say whether it was because of this debate that I finally got the call from HSBC, but we can all draw our own conclusions. I have just been informed by Dee, my secretary, that within the last few minutes I have also received an e-mail from HSBC. I am sorry that I do not know its contents. I was on my way over here and so did not have the chance to read it.

Mr Grisdale said that the reason the bank was not prepared to offer any more money to Loughboro was that the information that it had about the company was out of date. He said that it has not had details of profit-and-loss projections or up-to-date accounts for more than a year, that the bank needs to lend responsibly, and not just throw good money after bad, and that it was not HSBC's role to help pay off debts to Her Majesty's Revenue and Customs. No doubt some of those excuses are valid, but small firms are made up of human beings, and sometimes the help that they need is to do with planning ahead responsibly, and the banks have a role there, too. I therefore hope that HSBC will think again about its policy towards Loughboro and work more proactively and urgently with people such as myself to help us, rather than ignoring us or hoping that we will just go away.

If this firm goes over the edge because of a short-sighted approach to lending by banks, yet another little bit of Britain's manufacturing industry will be gone and eight more real, live human beings will lose their jobs after a lifetime of hard work—real people such as Don Wilson, who have real families. If the worst happens, we in this House will not forget. Almost all of us have met people such as Don and we will not forget the role that banks such as HSBC play in killing their dreams, when they could play a role in keeping those dreams alive.

I think that that is a fair summary of what many Members feel about the approach of the banks at this time. However, I also want to ask the Minister what he can do to put an end to bad practice in the banking sector. It is four months since his right hon. Friend the Chancellor told the banks about their "obligations". On the ground, however, there is little evidence of increased lending. What can this Government do to make the banks lend and what can they do to help firms directly if the banks will not help them?

Many firms fought bravely through the recession, often thanks to Government measures such as the cut in VAT, but what will be the point of that fight if, now that the economy appears to be stabilising thanks to those policies, the taps are turned off again and the manufacturing sector suffers a double-dip? I believe that there are parallels between what is happening to firms such as Loughboro and what could happen to the wider economy. Perhaps if the tap of investment is turned off too soon in an attempt to end the deficit quickly, the businesses and the human resources capacity that are needed to build a solid recovery will be killed off.

That brings me to my second point. It is not just the banks that are bringing down firms such as Loughboro. In this case, the other and more immediate villain of the piece is the inflexibility of the public purse, in the guise of Her Majesty's Revenue and Customs.

Once again, I want to take this opportunity to complain about the attitude of HMRC to dealing with Members' concerns. Just as with HSBC, I have had great difficulty—

4.11 pm

Sitting suspended for a Division in the House.

4.22 pm

On resuming—

Siobhain McDonagh: Just as with HSBC, I have had great difficulty getting anyone at HMRC to answer my calls or respond to my messages. I called for this debate much as a result of how difficult it has been for the two organisations to deal with my constituent's case with any sense of urgency. Perhaps if they had responded with more courtesy towards me and my constituent, the debate would not have been necessary. We have almost come to expect that the banks, with their billion-pound profits and eye-watering bonuses would behave arrogantly, as if they are untouchable masters of the universe, but it is disappointing that a public body such as HMRC has proved equally uninterested in people's lives.

The past year has been a continuing struggle for small businesses. In the case of Loughboro, the amount owed to HMRC has been the biggest indicator of that. Over the year, its debt to the taxman has grown to around £60,000. Loughboro has been trying to negotiate with HMRC, but the bailiffs are now involved. Before the debate was announced, the bailiffs were due to go in today, to take away machinery, which would have meant the end of the business. Again, we can only speculate about whether today's debate is the reason why the bailiffs are not going in after all—HMRC has been particularly difficult to talk to, so it has not been able to tell me.

I understand that Loughboro has written to HMRC today to offer three different payment plans: one to repay the £60,000 over nine months, another over six months and the last over just four months. The last would mean having to pay back nearly £4,000 a week, which would be difficult considering that wages, rents, suppliers and costs still have to be paid, but Loughboro was willing to try.

If HMRC does not behave reasonably, companies will not be able to continue trading. If that happens, not only would the taxman fail to get back all he is owed, but he would not get anything in future—no more tax receipts from the company or its employees—and, indeed, the taxpayer would probably end up having to pay benefits to the workers and their families. Taxpayers would also end up paying the staff statutory redundancy which, as some of them have been with Loughboro for 25 years, is likely to be around £35,000. If I had not

[Siobhain McDonagh]

secured the debate today, HMRC's bailiffs could have already taken away Loughboro's last hope, removing specialist machinery for scrap and putting people on the scrapheap, even though that would cost the taxpayer more in the long run than the machines are actually worth.

The FSB says that there are many ways in which the tax system could be improved to prevent such things from happening. Many small businesses complain that the tax system is too complex and confusing for them—it is a disincentive. The FSB wants the tax system simplified to allow more manufacturers to take advantage of the allowances and reliefs available. It also believes that there is a lack of confidence in the tax system and wants the Government to create a dedicated unit in HMRC to help small manufacturers. As people say, "Tax shouldn't have to be taxing."

People whose expertise is in manufacturing rather than accountancy often need help, and they should be given it. Indeed, on occasion, Governments have listened to small manufacturing businesses, to the benefit of all. The Time to Pay scheme for small businesses has been successful, and the FSB is working with HMRC to ensure that it is part of a wider shift to a friendlier approach to small businesses. Time to Pay has been crucial to thousands of businesses with limited cash flow, and more such schemes are needed.

Unfortunately, many small business owners still find the taxman very unsympathetic and obstructive. For instance, some businesses have asked HMRC if they can spread payments but are being told that, if they have paid any dividends during the year, they will be disbarred immediately from any help. That is even though they have done nothing illegal, just arranged their affairs to minimise outgoing payments, and the FSB has told me, forcefully, that that is unreasonable.

I am therefore calling on the Minister to instruct HMRC to be helpful—not to ignore MPs and their constituents, not to be uninterested in businesses that are struggling, but to be helpful. In my constituent's case, I also ask him please to talk to HMRC and persuade it to take a pragmatic approach towards Loughboro. It might take longer to get the money, but spreading payments over a longer period could save the country money in the long run. I appreciate that the Minister's bosses have taken a more short-sighted view with the wider economy, as they want to pay back the deficit sooner and quicker than many people believe is sensible, irrespective of the damage that might be caused. However, I hope that he can persuade HMRC to take a longer-term view with Loughboro.

I do not often get contacted by manufacturing businesses—Mitcham and Morden is not a big industrial centre. Firms such as Loughboro do not often appear on our radar, but small businesses make up 99% of the 4.8 million businesses across the UK. They employ approximately 50% of the UK work force and are responsible for almost 40% of our economic output. The manufacturing sector in the UK contributes £155 billion to the economy and employs 2.6 million people.

Even in constituencies such as Mitcham and Morden, which do not seem to be hubs of business enterprise, small firms make a big difference. For the economy to have any chance of emerging successfully from the recession and from the cuts, we depend on the success of small manufacturers, and they should be listened to by the Government. If our small manufacturing firms suffer, we all suffer. We need those firms. If companies such as Loughboro cannot be helped to survive, how will we persuade people such as Don to take them on in the future? Why would anyone want the grief? Yes, they are businesses, but they are full of human beings and, if they struggle, the cost is a human cost.

Don Wilson has already been through many difficult times in his life. He is a human being who did a good thing. He worked hard and took over a company employing local people when the previous owner retired. He kept it going and brought in new contracts. However, Don Wilson told me:

> "I have had to lay men off, I have literally halved my work force and still have found it hard to continue. Some mornings, I don't want to get up and go to work, but I think of my son and the people who are depending on me and this is what drives me on—my wife, my children, my family."

Now that it looks as though we are coming through the worst of our economic troubles, I hope that we will not let him, his family or his employees down. They are good people, the sort that this country badly needs, and the banks, HMRC and Ministers should stand up for them, just as Members like me are standing up for them. Thank you Ms Clark, for the opportunity to put their case.

4.28 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing the debate, but also on setting out with real passion and determination how we ensure that the smallest enterprises are able to cope in difficult times. Given the Division, I think I am right, Ms Clark, in saying that I have until 4.40 pm. I want to ensure that I do not either run out of puff or get the wrong deadline and not get to the questions asked.

There are a number of broader issues, as well as the specific issue of this particular business. I would like to start with Loughboro Designs, so that I can then move on to the broader issues raised by the hon. Member for Mitcham and Morden and the right hon. Member for Oxford East (Mr Smith), on cash flow, tax and the ability of small and medium-sized enterprises to access finance.

Having run my own business, I understand the problems that the hon. Lady described. I was concerned to hear about the difficulties that Loughboro Designs has had, and she is absolutely right that the tragic death of Mr Wilson's son adds to the human aspect of the case. I totally agree that we often forget that SMEs are in many ways about people far more than about cash sheets or balance sheets. The character of a business is always shaped by the character of the owner, and the difficulties on a personal level, to which she has referred, should be borne in mind.

When I learnt about the hon. Lady's concerns, I instructed my officials to investigate the case, and they have been holding discussions with HMRC to see whether it would be possible to arrange a repayment plan for Loughboro Designs's VAT bill. The hon. Lady highlighted some initial difficulties about contact with HMRC, which I have noted and will raise with my colleagues

and officials. HMRC has been shown to be sympathetic to SMEs, and in the case of Loughboro Designs it has confirmed that it is willing in principle to conclude a further agreement under its Time to Pay initiative. It is willing, exceptionally, to receive a further payment proposal, which the business obviously will now need to draft.

Before seeing that new proposal, we cannot guarantee that it will be accepted, but I will ensure that it gets a fair hearing. In the meantime, the distraint action that the hon. Lady described will be held in abeyance. I hope that an agreement can be reached so that the company will be able to fulfil the orders that I understand it has for next January and thereafter. I hope that she will agree that those are initial, positive steps to try to unpick what is obviously a difficult problem.

My officials have also been in contact with the company's bank, HSBC, to explore whether there is any scope for making additional lending facilities available. I share the hon. Lady's concern that no viable company should be driven out of business unnecessarily. In that context, once the Time to Pay agreement is resolved, that will be the moment when the bank can act. We will keep in contact with her and the business, and I hope that those measures will give some comfort to her and to Mr Wilson. I also hope that that brings to the attention of Members the role of our "Real help for businesses now" team within the Department, which is able, willing and ready to help viable companies in distress.

The hon. Lady referred to the broader question of HMRC and the Time to Pay initiative, which I think is important. To be fair to HMRC, although there will inevitably be times when businesses are frustrated about discussions, it has set up the business payments support service so that companies that find themselves under pressure can quickly and easily arrange an agreement. Under that scheme, businesses can delay payment of VAT, corporation tax and other taxes to help manage short-term financial difficulties.

In that context, I take the view that cash is king. Time to Pay is about providing a lifeline for SMEs, which, more than any large business, find that tightened cash flow is the factor that drives them down and prevents them from proceeding. Interestingly, the figures available to date show that more than 370,000 such arrangements have been agreed, involving the deferral of around £6.3 billion in taxes.

I emphasise—it is a fair point to make—that Time to Pay is intended to support businesses that are fundamentally sound. The taxman clearly cannot support businesses whose financial viability is dependent on not paying taxes. That would not make sense; it would be good neither for them nor for the economy as a whole. The issue is about helping companies that are fundamentally sound, but might have a short-term problem.

The hon. Lady also mentioned how the tax system works and referred to the FSB. We agree with it that we need a simpler, more predictable and internationally competitive corporate tax regime. That is why in our first few months in government we have tried to take some positive steps. It is one of the reasons why we stopped much of the previous Government's planned rise in national insurance contributions.

The FSB reckons that that rise could have cost about 57,000 jobs, so we have made an important change. We are also cutting the main rate of corporation tax over the next four years from 28% to 24%, so that this country will have one of the lowest rates of any major western economy. That means, particularly for manufacturers, that the balance between the corporation tax reforms and the reforms that we are planning for capital allowances will leave £250 million a year in the coffers of manufacturing businesses, which is good news. With regard to smaller firms, we are also reducing the small companies corporation tax rate to 20p, rather than increasing it to 22p, as the previous Administration planned to do.

The hon. Lady rightly mentioned access to finance, which is important. Clearly, some businesses are still feeling that pressure, and as we move out of recession and into the early stages of recovery, there tends to be a tightening on the position for businesses, particularly on the availability of working capital. Our view with banking is clear: where we are presented with evidence that banks are behaving unreasonably on lending decisions or the terms and conditions related to them, we will consistently and persistently challenge the banks involved. We need to ensure that we have that evidence. Where we do, we act, and we will continue to do so.

It has been encouraging in the past six months to see the banks start to step forward with clear commitments. The British Bankers Association brought forward 17 commitments in its new proposals to help move things forward, and those words now need to become actions. The proposals include a revised lending code for small firms and a new appeals process for cases in which finance has been declined, and those proposals are especially relevant to smaller businesses. It also includes a £1.5 billion growth fund to be spread over the next 10 years, which is important for companies wishing to grow.

I suggest that the question of competition is just as important so that business have a choice. At the moment, the choice is narrow—principally four high street banks. That is why we have asked the Independent Commission on Banking to look carefully at how we can broaden that, and it will set out its initial ideas in the spring.

The hon. Lady rightly asked what the Government can do in the meantime to bridge the gap. We are taking action to extend the enterprise finance guarantee, which was rightly established under the previous Administration, and are now providing £600 million extra over the coming year. We are rolling the enterprise finance guarantee out over the next four years, which means unlocking about £2 billion extra in bank lending.

The hon. Lady also rightly referred to community development finance institutions. I am pleased to be able to tell her that on Monday I met the Community Development Finance Association and spelt out that we will not only reform the enterprise finance guarantee for existing lenders, but do so in a way that makes it easier for CDFIs to be part of it. The Government will therefore be able to underpin our lending to those small micro-businesses that, frankly, many of the banks do not reach. Those will make some important differences to some of the micro-businesses involved. We are also increasing the enterprise capital funds by around £200 million over the next four years, which will provide around £300 million in additional venture capital investments. Therefore, there is help with debt and with equity.

[Mr Mark Prisk]

However, there is another aspect that I find is increasingly raised by the small business community, particularly in those areas of manufacturing where capital investment is important: the role of business angels. We are keen to see an expansion of business angels and are interested in how we can make the climate for them more investment friendly. That is why we are encouraging them, together with Capital for Enterprise Ltd, the Government's SME investment arm, to put a bid to the regional growth fund to create a business angel co-investment fund.

Mr Andrew Smith: How helpful does the Minister think the Government's changes to capital gains tax have been in that respect?

Mr Prisk: I think that they have been helpful. Certainly, the representations I have received indicate that the fact that the entrepreneur's relief, which is now 10%, has been extended from £2 million to £5 million, has been welcomed by many people in the investment community and the small business community. Those reforms matter, because if we can make progress in that area, we can move forward.

I am conscious of the time and so will bring my remarks to a conclusion. I commend the hon. Lady on securing the debate and hope that the specific actions to which I have referred for supporting Loughboro Designs will progress. The Government are also trying to help with regard to tax, finance and cash flow, all of which are crucial. I hope that the developments I have mentioned will proceed, and I will be happy to talk with her after the debate and in the coming weeks to see whether further action will be necessary in the case that she has discussed or similar cases in her constituency.

Flooding (Cornwall)

4.40 pm

Stephen Gilbert (St Austell and Newquay) (LD): I am delighted to introduce my first Westminster Hall debate with you in the Chair, Ms Clark, and I am pleased that this important debate is happening almost a month to the day since the floods hit Cornwall early in the morning on 17 November. It is a mark of how significant the events were in Cornwall that other Members of Parliament are present and hoping to make a contribution. My hon. Friends the Members for Truro and Falmouth (Sarah Newton) and for South East Cornwall (Sheryll Murray) are here. Both of their constituencies, like mine, were affected by the flooding.

At the outset, I would like to take a moment to commend the professionalism and dedication of the Cornish emergency services, Cornwall council, local town and parish councils, the Environment Agency, and local churches, chapels, clubs and residents associations which, in a typical display of Cornish solidarity, pulled together to do an outstanding job in difficult circumstances. As the extent of the damage caused by the floods became apparent, all those groups rallied together to do what they could to help.

When I spoke to people in St Austell, Polmassick, Mevagissey, Pentewan, St Blazey and Par, having seen for myself the devastation that had been caused, I heard stories about the responses of neighbours and family who provided the essentials that people needed.

It is not often that a local MP welcomes both the Prime Minister and the Prince of Wales to their constituency on the same day. It would be wrong of me not to put on the record how grateful we in Cornwall were for their time on that day and for their continued interest since then—and, indeed, for the continued interest of the Secretary of State for Environment, Food and Rural Affairs. On a personal level, I am grateful for the support that the Minister gave me throughout the following days and weeks.

The combined information from the Environment Agency and Cornwall council indicates that hundreds of homes and businesses were damaged. The repair bill is estimated to be tens of millions of pounds. The Environment Agency and partner organisations have been working in the affected areas on clean-up, inspecting and repairing flood defence systems, and speaking with communities to learn what they thought went wrong in the places where schemes already existed. There are particular issues in each part of my constituency, and I believe that it is worth bringing them to the attention of the House.

In St Austell, there are concerns that over-development of the hillsides surrounding the town has led to added risks of flooding in basements in the town centre. In Pentewan, a recent flood defence investment did not work as it should have. In St Blazey and Par, pumps seem not to have been turned on in a timely way, and there is the issue of the regular cleaning of culverts and storm drains, which might have eased some of the problems.

In Polmassick, the ancient bridge simply could not cope with the volume of water trying to get under it to the flood plain just beyond it. Across the constituency, the warning systems that were supposed to notify residents of problems ahead universally failed.

Sarah Newton (Truro and Falmouth) (Con): Although there were far fewer homes affected in my constituency, businesses and homes in Portloe on the Roseland peninsula were badly affected. I very much agree with my hon. Friend that, in the future, timely warnings of impending flood risk would help people to prepare what defences they are able to prepare.

Stephen Gilbert: I thank my hon. Friend for that point, because she could not be more accurate. There was the potential to deliver warnings, and we must ensure that when warnings are issued by statutory agencies, they are passed on to the public.

Despite the problems, steps are already being taken to facilitate the clear-up. In Mevagissey, 30 tonnes of flood debris has been cleared away. In Pentewan, a demountable defence system is being installed as a temporary defence on the beach channel to balance the tidal and fluvial flood risk in that community. In St Blazey, like other places, Cornwall council and the Environment Agency have been holding flood surgeries where local residents can share their experiences and concerns. And, of course, the Environment Agency is conducting a thorough review of the events of the few days of the flood to identify what other steps it can take.

The Environment Agency told me that approximately 3,250 homes and businesses in Cornwall were protected by schemes already in place. It is worth commending that work, which has been done over several years. Despite all that, as my hon. Friend the Member for Truro and Falmouth suggested, we can undoubtedly learn lessons from the experience in Cornwall. I shall spell out some of my concerns, and I hope that the Minister will be able to respond to them.

The first issue is about providing early warnings to residents. The Met Office issued a severe weather warning with an 80% chance of flooding at about 10.30 pm on the night of 16 November. That was some six hours before any damage had been done to homes and businesses, but the warning never made it to the majority of residents, who could have taken action to protect their property or business.

We all know that weather prediction is not an exact science, but if the emergency services and emergency responders could be notified much earlier in the day of a 20% risk of a severe flooding event, surely it behoves us as a Government to ensure that the public are made aware when the risk reaches 80%, so that they can take the measures that they deem appropriate.

The Government also need to do more to support the establishment of community flood plans, which could include dedicated flood wardens with access to state-of-the-art household defences. I was pleased to hear similar thoughts from the Secretary of State during departmental questions last week.

Taking steps to prepare for a flood will help communities to avoid damage and to keep the costs of future repairs low. It may also help those in flood risk areas to obtain insurance after the 2013 end of the insurance industry's statement of principles. In the vast majority of cases, the insurance industry responded in a timely way, getting loss adjusters in, assessing the damage and closing claims quickly, but we need to ensure that all homes, not just in Cornwall but across the country, are able to access insurance at affordable premiums now and when the statement of principles ends in 2013.

The third and final subject I would like to raise is the need to look at the financial support that is available to local authorities when such emergency situations happen. As the Minister will know, the Bellwin scheme provides financial support to local authorities, but, in the case of Cornwall, it has become clear that the scheme might not be working in quite the way it was originally intended.

Cornwall council's threshold for help under the scheme is 0.2% of the authority's net budget requirement, which includes the delegated schools grant. Therefore, the threshold in cash terms is just shy of £1.5 million—that is, the money that the council must spend before central Government will step in.

Cornwall council is at a distinct disadvantage as a new unitary authority. If we were still under the old system, the burden would have fallen on two district councils with a total threshold in the region of some £60,000 before the Government stepped in, not the £1.5 million that Cornwall council has assessed the figure to be. Many would argue that the new unitary authority would have more resources and could use them in the best way, but the calculation does not seem to be in line with the costs that could be incurred, and it is certainly unfair when compared with the calculations for counties with two-tier systems.

Furthermore, as well as being a unitary authority, Cornwall is a fire and rescue authority. Again, that is atypical. In Cornwall, the costs incurred by fire and rescue are part of the unitary authority overall, and they have the effect of increasing the council's threshold further, by some £40,000.

In summary, as a new unitary authority, and a fire and rescue authority to boot, Cornwall council seems to be treated unfairly under the Bellwin scheme. It also seems unfair to all top-tier organisations to include the delegated schools grant in the calculation. The Minister is well aware that local authorities have no control over the allocation of the schools grant; it simply passports through the council. I would ask the Minister to consider whether the Bellwin scheme should be reviewed, particularly in the light of some of the examples thrown up by the case of Cornwall.

The flooding in Cornwall last month brought to the fore the community spirit that I grew up with in Cornwall. There are lessons to be learned. We need to improve the early warning system, work with the insurance industry and look again at the threshold at which the Government step in to help local councils. These issues need to be dealt with so that we in Cornwall, as well the rest of the country, are as prepared as we can be for possible events in future.

4.50 pm

Sheryll Murray (South East Cornwall) (Con): I praise my neighbour, my hon. Friend the Member for St Austell and Newquay (Stephen Gilbert), for securing this debate. I also thank the Minister for the prompt communication that his Department had with me and, I am sure, my hon. Friend, when the flooding and the serious situation in Lostwithiel in my constituency first became known.

I reiterate the points that my hon. Friend made about the Bellwin formula. Cornwall's transition to a unitary council happened a couple of years ago. Sadly, this

[Sheryll Murray]

formula is outdated. Will the Minister consider updating and reviewing it so that it does not act against unitary authorities in future incidents?

I praise the work of Cornwall council and the Environment Agency. I accept that nobody could have predicted the level of flooding that we saw in Lostwithiel, particularly, which resulted from surface flooding rather than the normal, historical flooding. It may not happen again for another 100 years, but we have to get the message out to the community, and to other communities that could be affected, to ensure not only that they put in place flood prevention measures when they get the warnings, but that at least lockable metal gates are put on doors every evening to prevent the kind of damage that we saw from happening.

Just before Christmas, many businesses in Lostwithiel were flooded when they should be preparing for a busy time, and a lot of their stock was damaged. I praise the insurance companies for sending their loss adjustors, who were working hard on the ground with people. I drove through Lostwithiel at the weekend and business is going on as usual. I praise the community for showing resilience and community spirit to ensure that business carried on as best it could as soon as possible.

I should like to hear from the Minister about the Bellwin formula, and about any ideas that he has that my hon. Friend and I can put in place to help the community prevent flooding, which is expensive—I know that there is no money to do that in these economic times—and to prevent flood damage so that if it happened again, the properties of the people of Lostwithiel might be saved.

4.54 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): It is a pleasure to serve under your chairmanship, Ms Clark.

I pay tribute to my hon. Friend the Member for St Austell and Newquay (Stephen Gilbert) for securing this debate, and to him and my hon. Friends the Members for South East Cornwall (Sheryll Murray) and for Truro and Falmouth (Sarah Newton) for their leadership in dealing with the aftermath of this incident, which is to their credit. It is also to their credit that they have generously praised many others, whom I will talk about. The good contact that we had with my hon. Friends and their understanding of the problems is noted in the Department for Environment, Food and Rural Affairs. I am delighted that that communication worked so well.

As my hon. Friend the Member for St Austell and Newquay said, the intense rainfall in the early hours of 17 November had a huge impact on his constituency and the constituencies of my hon. Friends the Members for South East Cornwall and for Truro and Falmouth. Such events are not unknown in the south-west. We have seen from previous flooding how resilient communities in that part of the world are. The recent flooding only reinforces that view.

The Prime Minister and the Secretary of State were both moved by the obvious examples of good neighbourliness—the work that people were doing to support their friends and neighbours in this crisis. My hon. Friend rightly mentioned the good work done by Cornwall council, the emergency services and many others. I echo every word of his praise.

The severity of the flooding came as a surprise to many, but that is not to say that the forecasts were wrong. The flood forecasting centre issued an extreme rainfall alert at 16.22 hours on 16 November, highlighting the risk of heavy rainfall overnight that may lead to surface water flooding. The main purpose of such alerts is to allow local authorities and emergency responders to prepare to respond in accordance with their multi-agency plans. I will talk in a minute about my hon. Friend's important point on widening the recipient base of these warnings to ensure that we can get to more people when such events are predicted.

My hon. Friend made a good point about surface water flooding, which I noticed in my constituency in 2007; if we can develop flood warden schemes, similar to the neighbourhood watch scheme, that would be a useful, successful way of allowing people to do emergency resilience work to protect their homes and belongings. Not everybody is on e-mail or able to get a mobile phone signal, particularly in remote parts of the country. Nevertheless, if we can find ways to get the information to people so that they can start preparing, on a street-by-street basis or by locality, we can improve it. We are not yet where we want to be in terms of getting more people aware of flood risk. I welcome my hon. Friend's suggestions, some of which I will discuss shortly.

The Met Office issued a flash severe weather warning, as my hon. Friend said, at 22.32 hours on Tuesday 16 November. Flash warnings are issued when the Met Office has 80% or greater confidence that severe weather is expected in the following few hours. The Met Office routinely issues early warnings in advance of severe weather that is expected to lead to significant and widespread disruption. In this case, the Met Office, in consultation with the FFC and the EA, did not issue an early weather warning, as the rainfall was considered unlikely to result in widespread disruption.

In the lead-up to the event, the national and local weather forecasts on television and radio, and on the Met Office website, highlighted the risk of heavy rain and gale-force winds in the south-west. Forecasts of heavy rainfall and extreme rainfall alerts are not rare, as we all know. The total amount of rainfall in Cornwall was not as great as in other significant flooding events However, it is important to note that the intensity of the rainfall—38 mm in one hour in some locations—was unusual and a combination of surface water, small watercourses being overwhelmed and drains not being able to cope with the intense rainfall, resulted in torrents of water flowing through the streets and into people's homes and businesses.

Weather forecasting plays a critical role in flood-risk management and the Met Office is independently recognised as world-leading in this regard. However, it is important to manage expectations in terms of what is currently scientifically possible. Those very localised weather events are challenging to predict with a long lead time, but I am confident that the Met Office will continue to push the boundaries of what is possible. It remains as important as ever that local authorities, emergency responders, utility companies and others have well practised plans for dealing with flooding events. In Cornwall, those

plans clearly worked very well. The speed of the emergency was matched by the speed of the emergency responders, for which they deserve great praise.

In the cold light of day, my hon. Friend, not unreasonably, pointed to the need for improved warnings for those who are at risk of such events. The Prime Minister and the Secretary of State commented on that when they visited Cornwall in the days following the flooding. Let me stress that the Government are committed to improving their warning and information systems for all types of emergency, including flooding, and are looking at a number of options to deliver better public warnings.

The current consultation on our flood and coastal erosion risk management strategy for England says that the Environment Agency and the Met Office will continue to develop and improve the national flood warning service provided through their joint flood forecasting service. They will do so by providing, among other things, warnings and flood information that are geographically as specific as possible so that all who receive flood warnings will know what to do and, where possible, have enough time to take action. These are not simple tasks, and it will take time to get them absolutely right.

The extreme rainfall alert that was first issued at 16.22 would not have been issued before the Pitt review following the 2007 floods. We witnessed the welcome sight in the Met Office of meteorologists sitting next to hydrologists and being able to predict much more accurately where flooding is likely to occur, and to warn communities accordingly. We are building on that capacity and partnership working to ensure that we get better and better at getting it right. We will not get it right every time, because of the freak nature of some extreme rainfall conditions.

We would all prefer our flood management to focus on preventing extreme rainfall from causing damage to property in the first place. I do not want to play down the impact of flooding, but it is right to point out, as my hon. Friend the Member for St Austell and Newquay did, that more than 3,000 properties in vulnerable areas throughout Cornwall were protected as a result of flood defence schemes. I share his concern about the failure of some flood defences, and it is imperative that, with the Environment Agency, we look at where those failures occurred, learn from them, and provide the right protection in those places as a matter of urgency.

I take the points that my hon. Friends the Members for St Austell and Newquay and for South East Cornwall made about the Bellwin scheme. I may be going above my pay grade, but I represent a constituency that is part of a small unitary authority. My hon. Friends represent constituencies that are part of a relatively large unitary. When my constituency was flooded in 2007, we triggered Bellwin very quickly. Clearly, the matter is a cause for concern that I understand. Bellwin is dealt with by my colleagues in the Department for Communities and Local Government, and the Treasury, but review is important. In the light of changing weather patterns, we must liaise at ministerial level, as the Department is doing, to ensure that Bellwin is not too blunt a tool, and that local circumstances are taken into account. However, that is a matter higher up the governmental tree.

Many of those who were affected have already done a huge amount to get their lives and businesses back in order, which is more evidence of the remarkable resilience of people in that part of the world, and of a thriving big society. The Environment Agency has been doing its bit to help clear up and provide full support for the county council. I pay tribute to the surgeries that were held last month in St Blazey, Mevagissey, Lostwithiel and Pentewan.

The Environment Agency is also working with local people to develop community flood plans in those areas. Part of the work will consider what improvements can be made to flood warnings for those communities. That is not a new concept; it already exists. Fill-in-the-blank toolkits are readily available, and are being taken up in the constituency of my hon. Friend the Member for St Austell and Newquay. I hope that we can expand the flood forums to communities that have been affected, and to communities that have not been flooded, because those are the difficult ones to reach.

Over the next few years, there will be huge technological advances. We are looking at rolling out opt-out schemes for text and telephone warnings, and there is the possibility one day, if it is not too intrusive, of a cell basis so that an emergency can be flashed to a mobile phone cell area and everyone in the area with a mobile phone receives it. That will not reach everyone, but it is a possibility, and such technologies are coming forward. We want to be at the cutting edge, not just because we want to, but because we must if we are to cope with the changing climate.

Insurance cover, and its future availability, is always a concern for those who have suffered damage from flooding. It is fair to say that the Association of British Insurers was very quick to state at the time that insurers' first priority was to ensure that every claim was dealt with as quickly as possible. Advice was provided on its website for people who were affected. More generally, at a flood summit that I hosted on 16 September, we agreed that the Government, insurers and other stakeholders would continue to work in partnership towards 2013 when, as my hon. Friend said, the current agreement between insurers and the Government will expire.

Looking forward, we know that the risk of flooding is likely to increase. We also know that the current economic situation is very challenging and that, although the floods budget was protected as far as possible in the recent spending review, there will always be a limit to what national taxpayers can be asked to fund. Currently, the costs fall almost entirely on general taxpayers, and that constrains how much can be done, as well as creating the potential for inequity in the system. Nevertheless, DEFRA expects to spend at least £2.1 billion on flood and coastal erosion management over the next four years, and to deliver better protection to 145,000 households by March 2015.

In future, the Government would like to encourage additional local investment in flood and coastal erosion risk management in return for giving areas at risk a bigger say in the action taken. We want decisions to be made locally and voluntarily on whether and how to contribute to schemes. Government support will, of course, continue to focus on those most at risk and least able to afford to protect themselves. That is important.

These are difficult matters and we must get them right. That is why we are consulting on the national flood and coastal erosion risk management strategy for England, and why it is so important. It will help us

[Richard Benyon]

make the difficult decisions about what Government funding is used for, and how it should be allocated between the different tasks and risk management authorities. I urge everyone with an interest to have their say.

The events in Cornwall four weeks ago posed a huge challenge to individuals, communities, businesses and organisations. None of us wants that to happen again, and we must learn the lessons. But it would be naive to think that we will never face similar challenges in the future. Such events are consistent with the predictions for climate change, and are likely to occur more frequently. The good news is that the people of Cornwall have shown us again their remarkable resilience and capacity for recovery. That was shown not least in the leadership of the Members of Parliament for the constituencies where the flooding took place.

Question put and agreed to.

5.9 pm

Sitting adjourned.

Westminster Hall

Thursday 16 December 2010

[MR CHARLES WALKER *in the Chair*]

BACKBENCH BUSINESS

Drugs Policy

Motion made, and Question proposed, That the sitting be now adjourned.—*(James Duddridge.)*

2.30 pm

Mr Bob Ainsworth (Coventry North East) (Lab): Thank you for presiding over our debate this afternoon, Mr Walker.

I thank the Backbench Business Committee for allowing the debate. I asked for a full day in the Chamber, in prime time, and the Committee gave me three hours in Westminster Hall, on a one-line Whip, on a Thursday—the last sitting Thursday before Christmas—but I am grateful none the less.

We are not so well attended that we will run out of time, so that will not be an issue, but I hope, Mr Walker, that you will use your offices to ensure that everyone gets an opportunity to speak, irrespective of their views. We need what I am, effectively, calling for—a full and comprehensive debate on drugs policy.

As people know, I was in charge of drugs policy for about two years in the early part of the past decade, as a Parliamentary Under-Secretary of State for the Home Department under my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett). My right hon. Friend managed to get agreement from the then Prime Minister and Cabinet giving us a little headroom to make some progress on drugs. Before then, we had the regime of the drugs tsar—a lot of debate but not enough progress—but my right hon. Friend managed to gain some leeway. We ran that whole debate as comprehensively as we could, because we were looking to refresh our drugs strategy. We involved as many people as we could, such as practitioners in treatment, police officers and the Select Committee on Home Affairs, which was enormously helpful in thinking things through.

I am not unproud of some of the things that we did, but we did far too little. We took the policy in the right direction. Yes, the classification of cannabis got all the headlines at the time—we took cannabis from class B to class C, in line with the scientific information—and that appeared to be the only thing in which the press were interested, but we did a lot else besides.

We brought in guidance for clubs, encouraging them to have water fountains, so that young people did not die of dehydration if they had taken ecstasy. We opened the door to heroin prescription in my response to the Home Affairs Committee. That was difficult—some people in the Government were enormously worried—although, if we read the response, we can see that the door was open only a small fraction. However, open it was, and that was one of the most important things. I thought that we could follow that up over time, and use heroin prescription as one of the tools to reduce harm.

We put harm minimisation at the forefront of our policy and we massively expanded treatment. When Members look at the reasons for the fall in crime—acquisitive crime, in particular—in recent years, yes, of course they can look at the increased police numbers paid for by the previous Government or the initiatives on antisocial behaviour, which made positive contributions, but they do not look nearly enough at the huge increase in drug treatment that we brought in. People do not fully appreciate the extent of the link between heroin addiction, in particular, and acquisitive crime and prostitution. Overwhelmingly, prostitutes in our country do what they do because they are addicted to drugs. A huge proportion of acquisitive crime is committed in order to pay for a habit. We also introduced an education policy, Talk to Frank, which is still going. I am glad that the new Government are to continue it, because giving people good advice on the consequences of drugs is so important.

Many people ask, as they did in the media this morning, why on earth I did not do or say the things that I am advocating now when I was in government. I had a choice to make. As people saw this morning, the Minister is straight out, saying, "This is wrong and I can't approve it." My own party disagrees with what I am saying, so my choice, had I wanted to go further than what I was allowed to do, within the limitations of collective responsibility, would have been to resign. That was my choice—to resign and make a small splash, which might have dampened my shoes but would not have moved drugs policy far at all, or to stick with it and make some small improvements. I chose to stick with it, and we made some small improvements, which were worthy.

I am saying to the House today—to the Government, to my own party and to anyone else—that we did far too little. We have not dented the huge apparatus that supplies drugs, not only to our country but across the world.

Andrew Griffiths (Burton) (Con): I am the secretary of the all-party parliamentary drug misuse group.

The right hon. Gentleman mentioned the downgrading of cannabis and the U-turn or about-turn when the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) became Prime Minister, but the figures speak for themselves. NHS treatment for cannabis use doubled in the three years after the downgrading, drugs deaths surged by 15% the following year and the number of drugs dealers prosecuted for dealing cannabis in the three years afterwards fell by 29%. Does he not understand that he was sending completely the wrong messages to young people about drug use?

Mr Ainsworth: No, I do not agree, and those figures will not bear scrutiny. That is what we ought to do—scrutinise what the hon. Gentleman has just said. We ought to bring some reason to bear, rather than make simple allegations and claims.

Everyone said that, when we reclassified, cannabis use would go through the roof. There is utterly and absolutely no evidence for that—quite the reverse. Cannabis use, according to all the evidence that I have seen and heard—others are far bigger experts than I am—went down in that period. The reclassification had no impact. When we reclassified cannabis back to class B, it had no

[Mr Ainsworth]

impact again. All the scaremongering about the reclassification of cannabis was uncalled for and proved to be incorrect.

Cocaine use, however, has gone up, because that has been the fashionable drug in recent years—it is a darn sight more dangerous than cannabis. Cocaine use has gone up, but we never reclassified cocaine. If the hon. Gentleman is positing an argument for reclassification making an ounce of difference to the levels of use, he is in real trouble.

Paul Flynn (Newport West) (Lab): I congratulate my right hon. Friend on his courage and vision, and it is a pleasure to be here today. Does he not agree, having heard the nonsensical intervention from the hon. Member for Burton (Andrew Griffiths), that the classifications have almost nothing to do with use of the drug concerned? A huge amount of energy has been spent talking about and legislating on the classifications, but the real tragedy is that in every year of the past 39 years, the waste of lives in Britain has increased, from 1,000 addicts in 1971 to 320,000 now. We have the worst outcomes and the harshest penalties of any country in Europe. Does he not agree that there must be a better way?

Mr Ainsworth: I will move on to some of those issues later in my speech. The only point on which I disagree with my hon. Friend is his use of the term "nonsensical", because we really must get away from flinging insults when discussing the matter. In the days ahead, many insults will be flung at me by sections of the right-wing press, which I knew would happen when I raised the subject, but it will be a great shame if we cannot have a more serious debate on that most serious issue.

I have had some busy jobs in the past few years and so might not be as current as I was a short time ago, but I have always argued that the regulatory framework adopted in different countries makes little difference to their levels of drug use. Sweden has a hard attitude to drugs and relatively low drug use. Italy has a softer attitude and relatively low drug use. We have a very hard attitude and relatively high drug use. Holland has a relatively liberal regime and a high incidence of drug use. That tells us that the regulatory framework has little effect on the levels of drug use in those countries.

Mike Weatherley (Hove) (Con): I congratulate the right hon. Gentleman on his courage in holding the debate today. It is a welcome contribution to the general debate that we should be having on the subject. As he will know, Brighton and Hove has a high rate of deaths related to heroin. Does he agree that drug users are not necessarily criminals and should be rehabilitated and assisted, and that part of that involves the recognition that criminalisation is perhaps inappropriate, particularly for marijuana? Does he also agree that the previous Government's decision to declassify marijuana to class C perhaps sent the wrong message because it was neither one way, nor the other, and people buying the drugs are still buying them from criminal gangs? Either it should have been legalised, or the message that should have been sent out was that it was a harmful drug. We really need a full, independent review of the whole situation, without the emotion that seems to come from all sides.

Mr Ainsworth: I intend to move on to what I am proposing shortly and knock down some of the things that have been said that are not true.

During the changes that we made in 2002, a young and newly-elected Conservative Member was a member of the Home Affairs Committee—he is now the Prime Minister. He went along not only with all the changes that we made, but with the Committee's report, which asked the Government to go further in two particular areas: to reclassify ecstasy from class A to class B, which the Government would not do; and, more important, to have a full debate on the alternatives to prohibition. He supported and advocated that, and he was right to do so. We did not go along with that, nor have the current Government. They have condemned it and ruled it out in the new drugs strategy issued last week. When the right hon. Gentleman became leader of the Conservative party, he felt, for reasons best known to himself, that he needed to recant and said that he had been wrong to support that policy. That shines a light on exactly what the problem is.

This morning, the leader of my party said that what I was saying was not Labour party policy and that he did not agree with me. I am not surprised in the slightest and I expected nothing other that that. The Minister will stand later and say that the proposal is irresponsible, that it is not Government policy and that they will set their faces against it. When the Prime Minister was being commendably brave as an ambitious young Member, however, he believed in it, and I believe that he still does but knows that it would be enormously difficult to take that position. He would not hold the right wing of his party, with which, heaven knows, he has enough trouble, in place. That is why he will not support what he knows to be common sense, and that is the tragedy of drug policy in this country.

The new drugs strategy contains many of the phrases that were used in my refresh of policy in 2002: "overarching strategies"; "joining up the bits"; "let's get cleverer"; let's get smarter"; "let's work with others", and "let's work with others abroad." All those phrases are in the new strategy, yet the Government are trying to claim that it is a huge, new drugs policy, which will have an impact. It is not. Overwhelmingly, it is a continuation of what went before. There is one significant difference: the Government are retreating from the notion of harm minimisation, the only thing that made the difference. They claim that harm minimisation is fine, but that we have to go further and put the need to cure people of their addictions at the forefront of all our thinking. Who would not want to do that? Who on earth thinks that curing people's addictions is not a good idea? I think that it is a fantastic idea. However, we should not be naive. It will work in some instances, but not in others. It will work at some points in people's lives, but not at others. The opportunities, where they exist, to move people through drug addiction to becoming drug free ought to be seized and properly funded.

When we talk about an emphasis on cure, we should be mindful that rehabilitation is massively expensive. The Government are not about to start funding mass rehabilitation and are in fact cutting drug treatment programmes. There will be reductions in drug treatment budgets in every constituency the length and breadth of the country. The budget for drug treatment in Coventry and Warwickshire is currently £11 million, but the new

budget will be £8 million, which is a huge cut. If we start taking money for rehabilitation out of that £8 million, the funding for many other treatments will be hugely reduced. I have a real fear about that, because we are about to enter a period when unemployment will rise, police numbers will decrease and drug treatment will be slashed, which will result in a massive increase in acquisitive crime. I fear that that is what our country is about to face.

Andrew Griffiths: The right hon. Gentleman makes a strong case for harm minimisation, as if it were the solution to the problem, but does he not accept that the figures show that 95,000 people in the UK have been on a methadone script for more than a year? Of those 95,000, 25% were still on methadone four years later. I do not know about him, but I am ambitious for people and do not want to see so many living in state-induced dependency. Does he accept that that maintenance is not providing the kind of solution that we are looking for?

Mr Ainsworth: I, too, am ambitious for people, and if anyone can be cured of an addiction, I want them to be cured of it. I do not want us to leave one person whom we can get off opiates dependent on them, but, equally, I am not naive. I do not believe that any Government, never mind a Conservative-led coalition Government, will fund the levels of drug treatment that provide the rehabilitation episodes that are needed to get the number of people that the hon. Gentleman talks about off their habit.

Therefore, the choice that we face is to keep those people safe until such time as they can make progress, or to hand them back to the criminal market, put them back into the hands of the dealers, let the guy on the street corner supply them with diamorphine, encourage them to go back to prostitution or to start robbing their mates and neighbours. That is the stark choice . My Government chose to expand drug treatment hugely. We did it not for the benefit of the drug users themselves but for the benefit of the entire community.

Mike Weatherley: Were the drug rehabilitation programmes based on methadone or abstinence? I have been to various drug rehabilitation centres, and by far and away the most effective drug rehabilitation was through abstinence rather than methadone. I wonder whether there would be some cost savings in the long run from full abstinence.

Mr Ainsworth: We should listen to the experts. I went to see the person who runs the drug treatment facilities for Coventry and Warwickshire in Coventry city centre a few weeks ago, in preparation for this debate. He said that, to some degree—and if they do not go too far—we ought to look at the Government's policy, because perhaps in some instances we have been complacent about moving people through. We were so pleased with ourselves for stabilising people, getting them safe and keeping them out of crime, but perhaps we should have been more assiduous in trying to cure them of their addiction. I am not opposed to trying everything to cure people of their addiction.

Let me say what I am and what I am not advocating. I am simply saying this, and no more: it is about time we had a debate in this country, and provoked one internationally, about whether the war on drugs can succeed, or whether we ought to be prepared, in a rational way, to examine the alternatives. We ought to look at continuing the current prohibitions, we ought to look at the alternatives, we ought to examine the issue properly, rationally and sensibly. We ought to be prepared to have that debate.

We ought to look at whether we should reintroduce heroin prescriptions as one of the potential treatments for heroin addicts in this country. We used to do that in the 1960s, but we stopped doing it. People, including famous and gifted people, lived with their heroin addiction and continued to make a contribution to our society, but we stopped that under international pressure. We are now part of the international pressure that stops others from moving.

Ten years ago, Portugal decriminalised small amounts of drugs. People do not go to Portugal to get zonked; there is not a huge problem. I understand that there is a huge financial problem in Portugal, but there is not a huge drug problem. People go to Portugal to play golf and to enjoy the sun. Portugal is still there. It is fine, it has saved a fortune, its HIV rates have crashed through the floor, the sky has not fallen in. We have been part of the international pressure to stop that country from doing what it has done.

Portugal has been successful to such a degree that the sitting Prime Minister at the last general election held up his drug liberalisation programme as a reason for his re-election. Would it not be amazing if the Prime Minister of this country could stand in front of the British public and say, "Vote for me because I have liberalised drug policy and it has made a huge difference," instead of shrinking from what were his clearly held beliefs as he climbed the ladder and became leader of the Conservative party? The war on drugs is not working.

I want the Minister to answer only one question. I know that he will disagree with me today—he has to; he would not be allowed to be the Minister if he were to agree with me—but I want to ask him this one question. I flagged it up on the media this morning, so he should not be surprised by it. He has a new drugs strategy, which he says is different. He says that it will work, that it will make a difference. How many years will he give his new strategy to make a significant difference?

If in two years' time we have not made any progress, will he agree to the kind of debate and policy shift that I am advocating? Do we have to wait five years, or 50 years? We have been at this, unsuccessfully, for 50 years. We have built international criminal organisations that dwarf the mafia that arose out of prohibition in America. In America, good people with good intentions banned alcohol for 13 years. They created Al Capone and Lucky Luciano and, in the end, they caused the St Valentine's day massacre. After 13 years, they did not give in—they came to their senses and removed prohibition.

If we do not start looking at alternatives to prohibition, we will continue to have the Pablo Escobars and General Noriegas of this world. Sher Mohammed Akhundzada in Helmand province, the Taliban, the corruption of the Afghan Government and the funding of the Afghan insurgency will continue. If we move production from Afghanistan, it will simply go elsewhere, as it moved from the golden triangle to Afghanistan some years ago. If we spray the entire forest in Colombia and destroy the foliage so that coca cannot be grown, production will move to Bolivia, Peru and, potentially, to Africa. When? That is my only question to the Minister.

[Mr Ainsworth]

I am not advocating a big bang. I do not believe that any political party would dare to propose some huge, instant change in this regard. People are too frightened, and rightly so, by the size of the problem. I am proposing debate, incremental change, pilots and rational thought. I am proposing that the Government do not do what is in their Police Reform and Social Responsibility Bill, which I believe includes a measure to remove the requirement to have scientists on the Advisory Council on the Misuse of Drugs. How stupid is that? In a modern society, we are about to say that we do not need scientists on the advisory council. Perhaps we should legislate to have witch doctors on it. That is about as silly a thing as I have heard for some long time.

Andrew Griffiths: The right hon. Gentleman mentioned science, and I saw Professor Nutt on television today, coming to his aid and supporting his proposition. I have listened to his reasoned speech, in which he has set out why he thinks this is important, but he has not mentioned anybody involved in drug treatment who supports his suggestion. Which groups advocate the legalisation of heroin and cocaine?

Mr Ainsworth: The hon. Gentleman needs to listen to what I am saying. I am not advocating kiosks on street corners where young people can buy heroin, for heaven's sake. I am a parent and a grandparent, and I want to make my children and my grandchildren safer. I do not want them to experiment with dangerous drugs. *[Interruption.]* I have said that it is about time that we had a reasonable debate, but the hon. Gentleman cannot help this yah-boo nonsense. He has asked a question and I will give him an answer—and after today we will give him a load more as well, because there are lots of them.

I am advocating the replacement of the dealer, who has a ready market with addicts putting money in his pocket and who is, in his totally and utterly irresponsible way, prepared to sell heroin to children and anybody else to extend his market, to the extent that we can do so—perfection does not exist—with a doctor. I want to get people into clinics and give them prescriptions and remove the dealer's market, thereby removing at least some dealers.

Caroline Lucas (Brighton, Pavilion) (Green): I want to cite a couple of people who support the right hon. Gentleman's position. Sir Ian Gilmore, the former president of the Royal College of Physicians, argues that decriminalising illicit use could

"drastically reduce crime and improve health."

The chairman of the Bar Council, Nicholas Green, QC, says:

"A growing body of comparative evidence suggests that decriminalising personal use can have positive consequences. It can free up huge amounts of police resources, reduce crime and recidivism and improve public health. All of this can be achieved without any overall increase in drug usage."

We are not short of any allies on this side of the Chamber.

Mr Ainsworth: I have been helped in preparing this speech, and in my thinking on this matter, by an organisation called Transform, which is often accused of being a libertarian organisation, although it is not; it proposes good, solid, readily available, well-funded treatment, while saving a fortune and many lives in the process.

Mrs Helen Grant (Maidstone and The Weald) (Con): I thank the right hon. Gentleman for having the bravery to initiate this important debate. Drugs destroy lives and wreck families. I suspect, sadly, that few families in Britain today have not been touched by the scourge of drugs—the thieving, lying, deceit, violence and unreasonable behaviour that come from drug abusers. Yet families do not talk about that with friends, for fear, in many respects, of criminalisation and because of the instinctive need to protect loved ones. The situation is difficult. There is no one to talk to and no one who can help, in many cases, and it can be lonely for families dealing with such matters. Nevertheless, it is a killer and we have real problem. I am not in favour of the right hon. Gentleman's proposals for legalisation, but there are some excellent abstinence-based systems in residential programmes, one example of which is the Kenward Trust, in my constituency, which provides respite for the family and treatment for the abuser.

Mr Charles Walker (in the Chair): Order. I think we need to let Mr Ainsworth respond to the intervention. May I say to all colleagues that interventions are getting a little bit long? I am not picking on one colleague. This is a useful juncture at which to remind hon. Members to keep interventions short.

Mr Ainsworth: I thank the hon. Lady for her heartfelt comments. She disagrees with me. Turning the clock back to when I was a relatively new Member of Parliament, I would have said exactly the same as her. When my Government came out with a new drug policy, particularly if I had had the opportunity to have input into it, I would have hoped and thought that a lot of good people were working on it and that it would make a difference. In the period ahead, the hon. Lady should watch what happens. If this new drug policy does not make any difference—I believe it will not—she should keep an open mind and come to another conclusion. I do not know how many years she or the Minister will give it, but she should keep an eye on the policy and stay engaged with this issue. I think that she will, like me, come to different conclusions over time, but that remains to be seen. All I can say is that I hope that she keeps an open mind.

I want to raise one more issue that is not to do with drugs, but I am determined to say this. As I said, I am neither the slightest bit surprised about, nor do I have a problem with, what my party leader said this morning. He distanced the Labour party from what I am saying. I expected that; he was never going to do anything else. However, I am annoyed that an anonymous Labour party spokesperson said that what I am saying is irresponsible. I do not mind that the leader of the party, the shadow Minister or the Labour party spokesperson think that; if they do, they should say it. I will not be the slightest bit upset if anybody disagrees in any terms with what I am saying. But I am upset by anonymous briefings by my party against its members. I used to get angry about that in government. It used to happen to me in government and I am sure that it happens to Conservative and Liberal Democrat Members, too. I will not allow people anonymously to say these things without my making an issue of it, because doing so is the only way that hon. Members can fight back.

The road of anonymous briefings leads to Damian McBride. My party learnt from that problem once; it does not need to learn the lesson again. Whoever this individual is, they should stop, because if they do not stop and if they say these things about me, I will say things like this, publicly, in television studios and in the Chamber of the House of Commons. We will, between us, damage our party. Stop. If they want to say anything about me and my views, they should give us their name and say it on the record. I will not be offended. Anonymous briefing has been a plague of modern politics. I am determined that people will not do it to me without some retaliation.

Several hon. Members *rose—*

Mr Charles Walker (in the Chair): Order. Six Back Benchers are here and we have quite a bit of time. Just two Back Benchers were planning to intervene, but given the nature of this debate I would not mind, and I am sure that colleagues would not mind either, if they made short speeches, because this is an important subject.

3.8 pm

Neil Carmichael (Stroud) (Con): My name is Neil Carmichael, in case there is any doubt about my being anonymous.

I welcome this important debate. I congratulate the right hon. Member for Coventry North East (Mr Ainsworth) not only on securing it, but on having the courage to say something different from what he has said before. I do not agree with him, but it is right and proper to have such a debate from time to time, because in respect of the current drugs strategy we are looking back to the Misuse of Drugs Act 1971. Time has marched on. This is a good opportunity to review the situation.

Decriminalising drugs and drug use will not be helpful. Instead, what do we do about people who are on drugs? That is the more important and immediate issue.

Colleagues have mentioned the use of methadone, which is one of the big issues that we have to confront. Methadone is not a satisfactory solution to the problem, and we simply have to state that. Let me give hon. Members an interesting statistic. When the Labour Government's programme kicked off back in 2000 or 2001, it was spending £60 million on methadone. By the time it had finished, the figure was more than £400 million, which is an astonishing amount to spend on something that really is not solving the problem. The first key point, therefore, is to recognise that the methadone strategy is the wrong one and that we need to look much more carefully at getting people off drugs altogether.

Another startling statistic is that fewer than 5% of people are in a form of drugs treatment whose task it is to get them off drugs altogether. We are therefore not only pursuing a methadone strategy with wild abandon, but being very reckless, given that we know that there are glittering examples of good practice, where people are treated for drug addiction and leave the system—usually very speedily—with a satisfactory outcome.

We have one of those glittering examples in Gloucestershire. The Nelson Trust was visited by my right hon. Friend the Secretary of State for Work and Pensions and its work has won an award from the Centre for Social Justice. That is quite right, too, because a huge number of people go to the trust with a drug addiction and a large proportion come out completely free of drugs. That is the direction of travel that we should be encouraging, and the Government have actually signalled that that is the direction of travel. We need to be sure that we get resources to organisations such as the Nelson Trust so that they can deal with the problem.

As a result of a question to the Secretary of State for Health, the right hon. Gentleman discovered that most of the money that we spend on treatment is being spent on methadone. We need to transfer resources away from methadone and towards taking people off drugs altogether. It is important that we flag up to the Minister right now the fact that organisations such as the Nelson Trust really need to be seen, examined and then supported, because there is clear evidence that they work—and that they work well.

My right hon. and learned Friend the Lord Chancellor and Secretary of State for Justice is also signalling an interest in dealing with drugs. He has noted that too many people are on drugs in prison; indeed, it is probably easier to get drugs in prison than it is on the outside, which is an astonishing fact. Of course, if we are talking about comparisons, we should remember that it costs about £675 a week to treat somebody and take them off drugs, but, as we know, it costs more than £800 to keep somebody in prison. We need to act on that, and the Secretary of State for Justice is doing just that in the prison reforms in his recent Green Paper.

It is really important that we start supporting organisations such as the Nelson Trust with finance and Government policy, because it is essential that we tackle this question rigorously. The National Institute for Health and Clinical Excellence has pointed out that nearly half of all crime is related in some way or other to drug use and abuse. That is a staggering fact, which signals not only the scale of the problem, but the gains that we could make if we simply tackled addiction in the way that the Nelson Trust does and other organisations can. We really need to focus on a strategy that moves us away from methadone and towards getting people 100% off drugs.

The Nelson Trust recognises, as we all should, that this is about more than just the immediate issue of getting someone off drugs. We need to provide family support and opportunities for people to transfer into work. We also need to sort out what can sometimes be pretty difficult housing circumstances. When somebody is on drugs, of course, all those things and more become very problematic. To get somebody off drugs, therefore, we also need to tackle some of those surrounding issues. The Nelson Trust has pioneered some really good work on that, and that is the direction of travel that we should take. I finish with a strong appeal that we think less about methadone and more about getting people off drugs for ever.

3.15 pm

Paul Flynn (Newport West) (Lab): It is a joy among reasonable people to hear one prohibitionist talking good sense. That can be a turning point in the national conversation on this subject. My right hon. Friend the Member for Coventry North East (Mr Ainsworth) is not the first former drugs Minister to say that he disagrees with his policy in office. I collaborated with

[Paul Flynn]

the late Mo Mowlam on a book about her views in and out of office, although, sadly, her illness overtook her. My part of that book has been published, and I can commend it unreservedly to hon. Members who are looking for an intelligent Christmas present for the discerning reader—it is all there. However, I will not burden hon. Members with that this afternoon, because I have had ample opportunities to give my views on that subject in the past.

My qualification for speaking today is that I have been in favour of the policy my right hon. Friend has described for more than 25 years. I have strongly advocated decriminalisation and legalisation throughout my parliamentary career. I agree with what he said about politics. It has been a great advantage to me to advocate such a policy. The results in Newport West at the last election show that if I had experienced the same swing against Labour as all my colleagues in neighbouring constituencies, I would not be standing here now.

I admire the present Prime Minister of Portugal, because he is a man of courage and principle. When he introduced his policy as a Minister, it was highly unpopular; indeed, it was not popular in his own party, and it certainly was not popular with the press or the public. However, he went ahead, and his policy is now supported by all parties in the Portuguese Parliament.

Yesterday, Joao Castel-Branco Goulao, Portugal's drugs tsar, visited the House and gave an account of what happened when the country de-penalised all drugs. The law came into effect in 2001. By 2005, it had halved the number of drug deaths—imagine that! The procedure is complicated, and I will not go into it entirely, but the Cato Institute did an assessment of it, which was published in *Time* magazine last year.

Every outcome of de-penalisation in Portugal has been positive. Seizures of big quantities of drugs have increased greatly because the authorities are not bothering with tiny quantities of drugs for personal use. The prison population has decreased, which has saved a fortune in prison and court costs, and the use of every category of drug has been reduced. The policy has been a huge success.

The point that I want to make is that we are on the verge of a breakthrough and a positive measure. I do not want to repeat the old argument—I have wasted many hours on it—between the prohibitionists and the pragmatists, who have a go at one another before retreating to their own silos, with no progress having been made. There has been success, and I say that as the current chairman of the Council of Europe's sub-committee on health and the Council's rapporteur on drugs for more than a decade.

I have visited more than 20 countries to look at their drug policy, and put forward numerous papers. The one that will be a success is a new convention on drugs, which I introduced in 2005 and which has gone through the great whale of a bureaucracy in the Council of Europe and European politics. I believe that next year it will become a convention that all the 47 countries of the Council of Europe will be asked to ratify.

The convention has already been approved—unanimously voted on by 47 countries in the Council of Europe. It has had the approval of the Red Cross and 150 countries in the world have supported it. It has gone through the Pompidou Group, which has the reputation of being very conservative. Having had the approval of the Council of Europe, it is being assessed by two international think-tanks.

It is based on this: I despair of ever getting the Nordic view in line with the southern Mediterranean view, of Portugal, Italy and Spain—or of the Netherlands and Switzerland. That will not happen; but if the different views are regarded as circles, there is a point where they intersect. That point is where the convention will be built—on that common knowledge.

Everyone will disagree on many factors, at the extreme of each side. We shall not get people to agree on decriminalisation, I am afraid, in the foreseeable future; but we can get people to agree on stopping the waste of believing that the criminal justice system is a good-value, effective way of dealing with addicts. Every country in Europe knows it does not work, yet we pursue it and spend billions on it.

Mike Weatherley: The hon. Gentleman was talking about the Nordic view and Portugal; is he aware of the Swiss model? The four-fold approach that they have is:

"Prevention, law enforcement, treatment and harm reduction".

Everyone in this House would, of course, agree that the last—harm reduction—is the ultimate goal.

Paul Flynn: I am very much aware of it. I did a scientific analysis some eight years ago of what was happening in drug production in four countries—Switzerland, Sweden, Britain and the Netherlands. It was an attempt to examine the effects and the level of drug abuse. On one point I disagree with my right hon. Friend the Member for Coventry North East: the level of drug use in Holland is lower than it is here. Sweden, from a very low base, had the biggest increase. The United Kingdom came out worst, and it remains the worst in all outcomes. Switzerland has tried a number of brave experiments, particularly in the way of prescribing heroin. That has been a great success as a way of reducing crime.

However, I want to mention our greatest failure internationally, and the one I feel despair about. I have addressed the Commonwealth of Independent States, the former communist bodies. The worst thing that has happened internationally on drugs concerns them, because when the Berlin wall fell, none of the communist countries had a drug problem; many had alcohol problems, but none had a drug problem. They came to us and said, "You in the west have had this problem for a long time. You guys know about it. What do we do? How do we deal with drugs?"

But instead of getting a formula in which we said, "Well, this has worked," those countries got back a babble of conflicting views from all parts of Europe. They repeated our remedies and inherited our problems. Those states have 25 million addicts now. If we had adopted a model that worked 10 or 25 years ago, we could have handed it on. I believe that such a model exists in its best state in Portugal now.

I urge all hon. Members to approach the matter with an open mind. I have memories of previous debates of this kind, and in particular of David Mellor, in about 1990, announcing that we could be absolutely certain of

one thing—that heroin use had peaked. We had about 90,000 addicts then. When I spoke on the subject about 18 months ago, the number was 280,000, and it is now 320,000.

I recall another debate—we used to have a three-hour debate on Friday mornings—when the Government and Opposition spokesmen had to leave the Chamber because they both needed a fix of the addictive drug to which they were enslaved; they both needed to go out and smoke. I am sure that later in the evening they would wander off to any of the 16 bars in this place, decrying young people's use of drugs—with a cigarette in one hand, a glass of whisky in the other, and a couple of paracetamol in their top pockets for the headache that they were going to get the next morning.

We behave with hypocrisy and incompetence on drugs. I do not want to go into the wasted years that we have had, but can we just say where the United Kingdom is now, and put aside tabloid pressure? Let us forget about what people say, and the abuse that my right hon. Friend the Member for Coventry North East will get, and say we know what is right, and what works, and we know that the policies that we have pursued for 39 years have given us the worst drug problems and the worst outcomes in Europe.

We had tough policies in '71. They did not work, so we had even tougher policies—and they did not work, so we went on again to still tougher policies. There were great plaudits for all the politicians putting them through. Each time, our problems went up and up. That has not happened in Portugal. In the Netherlands, there is some kind of control. The glamour has been taken away. The joy of forbidden fruit has been taken out of using cannabis. People can go to a cannabis café and have a cannabis cake with their grandmother. Where is the fun in that? Part of the attraction, here, is the illegality of drugs. Part of the problem, and the reason why people die here, is the illegality of drugs.

My right hon. Friend the Member for Coventry North East mentioned that people can, if they get control of their heroin and know its quality and strength, become heroin addicts and live into their nineties. Many people have. There are homes in the Netherlands for geriatrics who are heroin addicts. They can be maintained. People here who are unfortunate enough to be addicted must take their heroin from illegal sources, from those who produce products that may well be toxic or contaminated. They take them in unhygienic surroundings in a dark alley. That is why prohibition is killing people.

Andrew Griffiths: The hon. Gentleman paints a very rosy picture of people living a long and happy life on heroin. One of my constituents spent 30 years on methadone and has now been drug-free for two years. He has just celebrated his second drug-free birthday. He said he has wasted his life. The difference between his life on methadone and his life drug-free is like being born again. He is one of the strongest advocates of tackling the situation in which we park people on methadone for years on end, rather than, through rehabilitation, tackling the reason why they use drugs in the first place.

Paul Flynn: The hon. Gentleman is simplifying the problem. No one is in favour of people going on methadone for prolonged periods, but it does happen, and often it is preferable to the alternative. The point that the hon. Gentleman seems to miss is that a rich heroin addict can live almost without risk. We know of famous people—I shall not mention any names—who were heroin addicts all their lives and died in their beds at an advanced age. At the moment it is poor addicts who suffer, and who are in the position I described—exposed to street dealers and contaminated heroin.

I remember vividly, from the time of the 2002 Home Office report—I was kindly mentioned in the introduction—working with David Cameron, and attending the meetings. I remember his sharp questioning of a man called Fulton Gillespie, whose son had been killed by injecting heroin contaminated with talcum powder.

I had a hope that the generation now in government and opposition—I am sure that most members of the Cabinet and shadow Cabinet used illegal drugs in their university careers—would at least have the courage to see that the present policies are not working, and can never work. I hope that they go through the same realisation that my right hon. Friend the Member for Coventry North East has courageously undergone, and conclude that we have to have another policy. We should be able to agree on the extent of the failure.

The hon. Gentleman mentioned prisons, and one of his hon. Friends told me that he went to a prison where a prisoner explained that he had toothache and wanted an aspirin, but would have to wait until the next day to see a doctor for that aspirin. He also said that he could go out of his cell and obtain heroin, marijuana or cocaine within five minutes.

How many of our prisons are drug free? None. No prison in the country is drug free. If we cannot keep drugs out of prisons with 30-foot walls, what chance do we have of implementing a policy of prohibition to keep drugs out of schools and clubs?

Andrew Griffiths: We agree on that point, but the matter is much worse. The number of methadone interventions—prescriptions—to prisoners has more than doubled in just over three years. The problem is not just illegal drugs in prison; methadone is being prescribed more and more to keep prisoners quiet.

Paul Flynn: There seems to be a concentration on methadone as a solution. It is not. It is part of the problem. There is no way round it, except the nonsense of putting addicts in prison for their addiction. Nothing could be more counter-productive or a larger waste of money. I believe that that is in the convention that will be introduced next year. There is a universal view that we must move away from using the criminal justice system for treating addiction, and use health outcomes and treatment.

As sensible people, we must recognise the enormity of our continued failure, and get politicians of all parties together—the hon. Gentleman is secretary of the all-party group on drug misuse, and I welcome that—to recognise the courage of my right hon. Friend the Member for Coventry North East and how he has taken on interviews today. That will arouse the realisation, throughout the country and among all parties, that the only way of ensuring that we are not top of the league of drug deaths, drug crime and the other drug problems on this

[Paul Flynn]

continent of ours is to learn from other people—including lessons from the Netherlands, and particularly the recent lessons from Portugal.

There is a better way. There is certainly no way practised by any country in the world that is worse than what parties on both sides have done for the past 40 years in the United Kingdom.

Several hon. Members *rose—*

Mr Charles Walker (in the Chair): Order. It is conventional that I now call an hon. Member on the Government Benches, but I am aware that Caroline Lucas must leave for a surgery, so I will call her now, although I will not make this a habit. I apologise to the hon. Member who has been waiting.

3.32 pm

Caroline Lucas (Brighton, Pavilion) (Green): Thank you, Mr Walker. I appreciate that, and I am honoured to follow the hon. Member for Newport West (Paul Flynn) who is such an expert on this issue and speaks such good sense about it.

I congratulate the right hon. Member for Coventry North East (Mr Ainsworth) on securing the debate and on his position, which I believe is the right one and which my party has advocated for many years. My constituency is in a city that has the unenviable reputation of being home to the most drug-related deaths in the UK, so I have a keen interest in what can be done to reduce the harmful effects of drugs both on society as a whole and on individuals.

I shall start by saying a few words about what is wrong with much of the current drug policy, making a few references to the Government's newly published strategy, and making the case for an approach that focuses on reducing the use of drugs and the harm they cause—treating addiction primarily as a health issue, rather than a criminal justice issue.

The facts about drug use are not new to anyone in the Chamber. In the UK, for example, the social and economic costs of class A drugs are estimated at more than £15.4 billion a year, and more than half of the 35,000 people in prison are thought to have serious drug problems, which put them there. Those facts should be the starting point for any strategy, which should be based on available evidence. Instead, much of our current approach is based on moral judgments against drug use and users. The Home Secretary falls into that trap in the Government's drug strategy, which they published just last week. For example, she asserts that

"drug use in the UK remains too high",

while failing properly to recognise that the greatest risk is not drug use per se, but the societal and individual problems caused by a prohibitionist response. Moreover, although there is, understandably and rightly, considerable fear about the impact of drugs, it cannot be allowed to dictate policy. Reducing drug-related harm is a public health concern and should be subject to the same sort of effectiveness and efficiency standards as other areas of public health.

Drug-related harm is caused partly by the nature of the drugs being used—not just their addictiveness—by the way in which they are acquired and used and by how society treats people who use drugs. Unless we develop an approach that seeks to reduce the harm associated with all those aspects of drug use, we risk perpetuating it, and that is what has been occurring since the current prohibition-based policy has been in place.

The matter is not as simple as saying that the war on drugs has failed to reduce drug-related harm; it is actually making it worse. Far from it being a neutral intervention, it often pushes people towards more harmful products and behaviour, and certainly more harmful environments. I am especially mindful that the poorest in society usually suffer most from drug misuse, but it is crucial to differentiate between the suffering caused by drugs and that caused by drugs policy. For example, the vast majority of drug-related offending is a consequence of drugs policy. The burglary, theft and so on to enable drugs to be bought at vastly inflated prices would be significantly reduced under a regulated system.

There is a growing view among the scientific community, as well as among politicians, the police and the legal profession, that we must move away from prohibition, which criminalises people, towards a health-based strategy that seeks to reduce drug use and drug harm through control and regulation. In an intervention, I quoted some of the experts who agree with that position.

All too often, alternatives to the current prohibition-based approach are depicted as a free-for-all, with drugs being readily available with no checks and balances, and with people being encouraged to become users. That is deeply irresponsible, because nothing could be further from the truth. I am certainly not advocating a free market in legalised drugs, and I do not believe that anyone else is. The legalised market exists for tobacco, for example, and it still exists to a great extent in some parts of the global south.

From a public health perspective, the free market approach is even more damaging than the unregulated criminal control of drug markets, with the aggressive promotion of consumption via marketing and advertising, all to the one end of maximising profits for legal commercial actors.

In fact, under the current system there is a free-for-all with no controls on who sells drugs, no controls on who can buy them and no controls on their make-up. Every drug supplier is, by definition, unlicensed, placing them beyond any form of state control or management. If we persist in burying our heads in the sand on this issue, we will miss the opportunity for the state to intervene to regulate and control the drugs market, properly to treat drug users, and to reduce the harm to users and society, all within an overarching framework of seeking to reduce drug misuse.

Poverty, social exclusion and inequality all have an impact on drug use and drug markets, so they must be looked at alongside policies on education, prevention, treatment and recovery. All too often, success in the so-called war on drugs is measured in terms of numbers of arrests or drug seizures, when we should be assessing whether harm experienced by individuals and communities is declining.

As the Home Secretary acknowledges in the foreword to the new drugs strategy:

"Individuals do not take drugs in isolation from what is happening in the rest of their lives".

I welcome that recognition, and the strategy's emphasis on the role of tackling disadvantage. In that context, it is important to note the work of the Equality Trust, which shows a clear and demonstrable correlation between drug use and inequality. There is a strong tendency for drug misuse to be more common in more unequal countries such as the UK.

Mike Weatherley: Does the hon. Lady agree that there is a small problem with the benefits culture, which often helps to perpetuate drug use?

Caroline Lucas: That is an interesting observation. Yes.

If the Government are serious about tackling drug abuse they also need to tackle inequality. Turning people with a medical problem into criminals, and burdening them with a whole new set of obstacles to overcome, seems particularly perverse and counter-productive. As well as tackling some of the social factors that contribute to drug use, we should tightly regulate the production, supply and use of drugs, as that is the most effective way to reduce drug harm.

Legal regulation of potentially risky goods is the bread and butter of Government, so it is logical and consistent to apply the same principles to drugs as those applied to alcohol and cigarettes, for example, or to imported toys and hair dyes. The Government are there to regulate potentially risky goods. Some of the most useful work on this issue that I have come across is from the Transform Drug Policy Foundation, which has published a "Blueprint for Regulation". It starts by saying that it is helpful to know what regulation would actually look like, so that we can begin to outline different kinds of supply models. For example, it suggests prescription as one particular model, or pharmacies that have restrictions according to buyer age, the quantity of drug being bought, and the case specific concerns relating to potential misuse. One particularly appealing aspect of that approach is the scope to require pharmacists or licensed suppliers to offer advice about harm reduction, safer use and treatment services where appropriate.

I have had the privilege of visiting the RIOTT—randomised injecting opioid treatment trial—programme in my constituency. In case hon. Members have not heard of it, it is one of three trials to examine the effectiveness and cost-effectiveness of treatment with injected opioids, such as methadone and heroin, for patients who were dependent on heroin but did not respond to conventional methadone substitution treatment.

Some 150 people receiving oral methadone substitution treatment and injecting illicit heroin on a regular basis were recruited to the trial. Fifty of them were provided with optimised methadone medicine to take orally, and 50 were given supervised injected long-acting methadone treatment. The remaining 50 were given supervised injected heroin, with access to doses of oral methadone. They also received—this is absolutely crucial—one-to-one personal support and had people who worked with them, got to know them and gave them advice and support. All participants were followed-up for six months to enable researchers to compare the effectiveness and cost-effectiveness of the three treatments.

The main measure of the trial's effectiveness was the proportion of participants who stopped using illicit heroin. In other words, they stopped trying to get dirty heroin from the streets. Laboratory urine tests allowed researchers to check if the heroin used had been prescribed or had come from the streets. Researchers also collected information about other illicit drug use, injecting behaviour, health and social functioning, criminal activity and so on. The results and the strength of the conclusion were amazing. They suggested that pharmaceutical heroin was far more effective in helping to stabilise people's lives, get them off the illicit heroin and, crucially, to begin to reduce their overall drug use. The treatment was not just about keeping people on a particular dosage for ever, it was about enabling them to withdraw from ongoing drug use. I met participants on the trial who told me that it had saved their lives. It had given them back control of their lives, allowed them to kick crime, find their families again and, over time, reduce their drug use.

Professor Strang from King's College London, one of the leading academics on the study, described its outcomes as follows:

> "The RIOTT study shows that previously unresponsive patients can achieve major reductions in their use of street heroin and, impressively, these outcomes were seen within six weeks. Our work offers Government robust evidence to support the expansion of this treatment, so that more patients can benefit."

I am pleased that the drugs strategy foresees a role for substitute prescribing. I call on the Home Office and the Home Secretary to ensure that the results of the RIOTT programmes are properly factored into the analysis, and that such programmes are made more available across the country. The trials are an example of the regulated use of a drug that is otherwise prohibited. They provide a useful, albeit limited, example of how regulation can enable users to become prescribed users, rather than street users, thereby illustrating some of the benefits of regularising the supply route and decriminalising drug use.

I would like to address the issue of cost, which has been mentioned several times. Some people argue that programmes such as RIOTT are extremely expensive, but I would like to look at the other side of the equation. Given the cost of following up drug-related crime to the police, or the cost to the NHS, approaches such as that of the RIOTT programmes are far more cost-effective than the continuing prohibition that we see today.

Tom Brake (Carshalton and Wallington) (LD): I apologise for not being in the Chamber at the beginning of this important debate and I welcome the opportunity to discuss this issue today. The hon. Lady sets out an alternative approach to tackling the drugs problem. Does she agree that, whatever policies are advocated, it is essential that they are properly assessed for their effectiveness in reducing crime and improving health, and that they should be based on sound science and regularly reviewed after implementation to check whether they continue to be effective?

Caroline Lucas: I agree with the hon. Gentleman that our position needs to be based on science and evidence, and regularly reviewed. It is precisely that kind of approach that characterises the RIOTT programmes that I mentioned. I have seen the results in my own constituency and I passionately hope that such programmes will be made more available across the country.

[Caroline Lucas]

In conclusion, hon. Members will appreciate that to consider the legal regulation of drugs represents a huge shift in thinking. As such, any regulation should be brought in slowly and carefully, step by step, with each phase properly assessed before moving on to the next one. I mentioned earlier that, sadly, any debate on drug strategy is all too often derailed by knee-jerk reaction and an assertion that attempting to question the existing prohibition-based approach is tantamount to dishing pills out like candy to school children.

I hope that hon. Members will not take that kind of simplistic approach today. I am sure that they will not as the nature of the debate has been very constructive. I hope that we can build a cross-party approach to drug regulation that will be open to learning from the example of countries such as Portugal, which primarily treats drugs policy as a health concern. I would certainly advocate an entirely joined-up approach to drug abuse under the auspices of a single unit in the Department of Health, rather than, as at the moment, the Home Office. I hope it is clear that being in favour of drug controls is entirely consistent with the objective of reducing drug-related harm, and that continuing to support prohibition actively works in the other direction.

3.47 pm

Andrew Griffiths (Burton) (Con): Thank you for giving me the opportunity to speak in the debate, Mr Walker.

It was not my intention to speak today, predominantly because I was due to go back to my constituency this evening, where I was to present awards to 250 drug addicts and recovering drug addicts and their families at an event run by the Burton addiction centre, which I am lucky to have in my constituency. I received a call this morning from one of my constituents, a young man called Jamie, who for many years had been a prolific user of heroin and many different substances. He has been drug free for three years because we in Burton are lucky to have an abstinence-based programme at the Burton addiction centre that aims to help change people's lives in a way similar to the scheme mentioned by the hon. Member for Brighton, Pavilion (Caroline Lucas). People's lives have been changed.

Jamie rang me to say that he had heard on the news what is being advocated by the right hon. Member for Coventry North East (Mr Ainsworth). He told me to ask him this: on the day that drugs are legalised, will he arrange for the police van to arrive at Jamie's house, put on the cuffs and take him to prison? If that does not happen, Jamie guarantees that he will be dead in six months. He said that not as a knee-jerk reaction, but as someone who has experienced the devastating impact of heroin abuse, and has had the ability, the support and the power to get himself clean and to get his life back.

Mr Ainsworth: Neither I nor anyone else proposes to force the hon. Gentleman's constituent to start taking drugs again. As he believes in an abstinence-based policy—the new Government's policy—I will ask him the question that I asked the Minister. How many years will he give the policy to make a difference? We are at the end of 2010 and he and I might be here in a couple of years' time. How many years will he give the policy to make a real difference?

Andrew Griffiths: The policy is making a real difference in my constituency now. If the right hon. Gentleman comes to see this evening the 250 people in my constituency who, along with their families, have gone through an abstinence-based programme, he will see for himself that it works. It changes lives; it changes communities. He says flippantly that he will not force anyone to take drugs. That fundamentally shows that he does not understand addiction. The issue is not that someone would be forced to take drugs, but that they would be freely available. Every time someone went into the town centre, they would be able, if they were feeling down, to go to their chemist or doctor and get a hit of heroin or cocaine. Drugs would be much more readily available. The right hon. Gentleman does not understand that one of the major problems for addicts is removing themselves from the circle of friends, from the community, that leads to their drug use. All too often, people fall into drug use because friends, colleagues or associates are using drugs. Because of that, they get hooked; they get addicted.

Of course the right hon. Gentleman is well intentioned. I have always known him to be a thoughtful and considered person, but in advocating either licensing or prescription, presumably on the NHS, for heroin and cocaine, he fails to understand addiction and the way in which it works.

Let me read out an e-mail that I received this morning from a young lady who is a recovering addict. She says:

"Addiction is extreme. Doing everything to the extreme. Getting out of it and constantly chasing that buzz. Addicts don't just use one drug, they use many drugs and alcohol to get out of it. One bag of heroin was never enough. Prescribe me one bag and I would want two. Give me two and I want three."

When we hear from addicts and see the situation in which they find themselves, we can understand their concern. It is not easy to tackle an addiction. We recognise that that is one of the most difficult things that people can do. But when it comes to the idea that making drugs more accessible to people will in some way solve the problem, the addicts I talk to regularly just do not agree with the right hon. Gentleman. I urge him to come and talk to the all-party drugs misuse group. We will give him a good hearing. We regularly hear from dozens of very committed people who are involved in real drug treatment. Some advocate maintenance and some advocate abstinence programmes, but they are all actively involved in, as the hon. Member for Brighton, Pavilion says, trying to give people back their lives.

The right hon. Gentleman prays in aid the Transform organisation. That is a think-tank and a lobby group, but it does not help people overcome addiction. It does research and it talks to people, but it does not help people, on a day-to-day basis, deal with the effects of addiction. I urge the right hon. Gentleman to talk to people who are working with addicts day in, day out, to understand their very real concerns.

I am not going to hide away. I went on television today and said that I thought the right hon. Gentleman was not just wrong, but reckless and dangerous, because the message that is being sent out that drug use is acceptable in some way is simply wrong.

Mike Weatherley: Surely one of the reasons why we are having this debate is to have a frank and varied discussion. Does my hon. Friend agree that we need an

independent review? We all agree that drugs are harmful and we would like to reduce their use in society. In my constituency, 70% of all crime is related to drug use. We need to stamp that out. I made the point earlier that the benefits culture perpetuates drug use. Many people are trapped in such a situation. Surely an independent review of the best way to make progress cannot be objected to; it must be a good thing.

Andrew Griffiths: My hon. Friend is well intentioned. I do not know whether he thinks that no one considers these things. I do not know whether he thinks that despite the thousands of people involved and the millions—indeed, billions—of pounds that are spent on trying to find a solution to the drug addiction problem in our country, someone has not at some stage sat down and considered whether legalisation would be a good idea, but I can assure him that they have. I do not want to send a message to young people that drug taking is an okay thing to do. The hon. Member for Brighton, Pavilion can tut, but in my constituency I have seen families who have been devastated by drug deaths. I have seen people young and old who are living with addiction. I am sure that the hon. Lady has, too.

Caroline Lucas: I apologise for tutting, but the reason why I was tutting is that I do not think that any hon. Member is suggesting that we want to give a message that drugs are okay. One of the things that hinder the debate is attributing to one another positions that we do not actually espouse. We all start from the point of saying that drugs are causing harm in society. The question is this: how do we best reduce that harm? It is fairer to accept that all of us are driving towards that aim.

Andrew Griffiths: I absolutely accept that the hon. Lady is well intentioned, but the right hon. Member for Coventry North East this morning advocated licensing or prescription of heroin and cocaine. What does a parent say when they see a senior politician saying, "We should license these drugs"? The nuances of the argument about a debate and a discussion are lost on young people, who may this very weekend be thinking about whether to try drugs for the first time.

Caroline Lucas: What confuses young people is mixed messages given out by Governments, people obviously being hypocritical about drug use and so on. We should not underestimate young people's ability to understand this debate, and they will have a much better chance of understanding it if we are all straight with one another, rather than hiding behind positions that none of us is really espousing.

Andrew Griffiths: I could not agree with the hon. Lady more. We talk about mixed messages. The right hon. Gentleman asked about the assertions that I made about the impact of downgrading cannabis. I point him to *Hansard* for 1 April 2009 and the answer to a question asked by my hon. Friend the Member for Broxbourne (Mr Walker), with the reference number 267674. It shows that the number of patients treated by the NHS for cannabis use in 2004-05 was 13,408 and that three years later, that had increased to 26,287.

I think that we need to move on and talk about the impact of the approach that the right hon. Gentleman advocates. He advocates prescription for heroin or for cocaine. Of course there is already the prescription of methadone and similar heroin substitutes, and I think that we all accept that that has been a complete failure. The aims were good, and I recognise the need to minimise harm and stabilise people. That is very important, which is why it remains a key part of the drugs strategy as outlined by my hon. Friend the Minister. However, the public think that our drugs strategy should be fundamentally about getting people free from drugs—getting them off their addiction. We are misleading the public when we say that it is okay to take drugs. It is true that, as was said, some people live a long life as a heroin addict. Some people live for 20 or 30 years on methadone, as I said was the case with my constituent. However, that is not something that I would want for a member of my family or for a friend or colleague. Stabilisation—harm minimisation—should have an impact in the short-term, but we all have to be more ambitious about moving to recovery thereafter.

Mr Ainsworth: If a child, grandchild or relative of mine had a serious addiction and was in a place where rehab would help, I would pay for it—I do not disagree with the hon. Gentleman. He should not think that I am naive or devoid of life experience—I am not. However, the Government will not pay for rehab on the scale necessary.

Andrew Griffiths: I do not want to steal the Minister's thunder, but I think he will outline how payment by results and changing the culture of how we treat drugs and drug rehabilitation can deliver the outcome and be more cost effective. I invite the right hon. Gentleman to visit the Burton addiction centre in my constituency, where the programme is not only cost-effective, but so cost-effective that GPs pay for beds because they see the impact it has on difficult patients, who were in a revolving door, going in and out of their surgery. A proper abstinence-based rehab programme, with support for both them and their families, makes a massive difference to GPs' health budgets. The right hon. Gentleman shakes his head, but he should come and see some of these projects before he dismisses them.

Mr Ainsworth: I was drugs Minster for two years.

Andrew Griffiths: It is true that the right hon. Gentleman was drugs Minister for a number of years, and I understand that the drug problem increased in every one of them.

Tom Brake: Earlier, the hon. Gentleman said that all the Transform organisation did was research. Does he feel that there is already sufficient evidence on the effectiveness of abstinence programmes versus substitution programmes, or prohibition versus the licensing scheme that the right hon. Gentleman proposed?

Andrew Griffiths: The hon. Gentleman raises an important point. It is true that we do not yet have enough evidence on the success of abstinence-based programmes, which is why I am encouraged that the Minister is going for a pilot project in the drugs strategy. I am evangelical on the benefits that proper rehab in an abstinence-based programme can have, but we need to be able to prove that it works. I accept that. Not only am I confident, but the providers and the clients who have been through these programmes are confident that

[Andrew Griffiths]

this is a radical change to the drugs strategy and the way we treat drugs. The simple fact is that I agree with the right hon. Gentleman that we cannot continue along the path on which the Labour Government set us.

Last year we spent £235 million on methadone—that is just on the drug, not the prescription or related services—to treat 154,000 methadone users. That £235 million is the equivalent of spending £500 a minute on methadone. It would pay for 11,000 NHS nurses. That puts into perspective not only the costs to society in crime and anti-social behaviour, but the costs in numbers of a purely maintenance-based programme that is simply failing. I say that it is failing because 95,000 of those 154,000 people who received a methadone script last year were still on the script a year later, and more than 25% of them would have been on methadone for four years. The idea that a maintenance programme is a short-term thing that gets people drug free is not correct. It is clearly not working, which is why we need this fundamental shift in our approach to drugs.

I agree that we have lost the war on drugs to date, but I do not think it is inevitable that we have to raise the white flag and accept that heroin and cocaine will be prescribed or sold in our communities. I say that because those dealing with these things on the ground have warmly welcomed the different approach laid out by the Minister. As I said in my all-party group, a number of very cynical and concerned charities, voluntary groups and organisations involved at the sharp end of dealing with addiction have warmly welcomed the change in approach. They recognise that we cannot continue with the current failed policy.

We win the war on drugs by improving rehab, giving people a recovery-based programme and being optimistic and bold about what we can help them deliver. It is about much more than rehab. It is about helping people deal with the chaotic lives they lead as drug users. It is about ensuring that people have the support of their family, and that their family recognise and understand the process, and that they have access to good health care, a safe home and opportunities. We must ensure that we do not simply expect people to go into the same community, where they had been shooting up for the previous 10 years, after a four-week detox programme, and think that they have their lives back together. It is about ensuing that we give them an opportunity to get back into work, have work experience or work in the community. All those things are very important.

I will draw my contribution to a close, but I wish to say that I do not believe for one moment that the solution to our drug problem is the one advocated by the right hon. Gentleman. I do not want to see prescriptions for heroin or cocaine issued in my constituency, and I know that many hon. Members feel exactly the same. We have a blueprint in the Government's drugs strategy for fixing the mistakes made by previous Administrations, and many of us are completely behind what the Minister is trying to do.

4.7 pm

Diana Johnson (Kingston upon Hull North) (Lab): It is a pleasure to serve under your chairmanship this afternoon, Mr Walker. I congratulate my right hon. Friend the Member for Coventry North East (Mr Ainsworth) on securing the debate. I note his great success in getting his views and comments widely trailed in the media. Despite the fact that it is the Thursday before Christmas and we are on a one-line Whip in the House, the debate this afternoon has had a great deal of attention.

All Members know from our work in our constituencies that drugs cause misery to people and thwart the opportunities and life chances of not only the individual, but family members. They sometimes blight whole communities. However, when looking at drugs in the UK, it is important to remember that we have had some successes. For example, the coalition Government's strategy refers to the fall of a third in the last decade in young people's rates of drug use. The importation of cocaine has also been disrupted.

As my right hon. Friend said, there has been a great deal of investment in treatment for people with drug problems. He is a very distinguished Member, with, as he explained, experience as a drugs Minister. It is right that we should all welcome the opportunity for a considered and mature debate on drugs policy.

My hon. Friend the Member for Newport West (Paul Flynn) spoke with great passion and knowledge about his experience in European countries. The hon. Member for Brighton, Pavilion (Caroline Lucas) talked about her interesting experience looking at the RIOTT trials, and about what we can learn from them. She also addressed the matter of tackling inequality when thinking through drugs policy.

My right hon. Friend the Member for Coventry North East has set out his approach, but it is not one with which the Opposition agree. There have been headlines and a great deal of newspaper copy today, but the topic has been reported in far too simplistic a way to deal with the complexities of the drugs problem we face. The issue is not straightforward; there are many different—and respected—views on the way forward for drugs policy in this country.

My right hon. Friend the Member for Doncaster North (Edward Miliband), the Leader of the Opposition, commented today:

"I am all in favour of fresh thinking on drugs. I don't agree with him"—

referring to my right hon. Friend the Member for Coventry North East—

"on decriminalisation of drugs. I worry about the effects on young people, the message we would be sending out."

That is an interesting point. We do need to have fresh thinking, and we need to keep the area under constant review.

This debate is timely due to the recent publication of the coalition's drugs strategy for 2010. We have also had the Second Reading of the Police Reform and Social Responsibility Bill in the House of Commons this week. That includes clauses specific to drugs policy, which I will address later.

The Opposition share the coalition's broad approach to drugs strategy, building on the pillars of preventing drug-taking, disrupting supply, strengthening enforcement and promoting treatment. There is a lot on which we can agree. However, the strategy marks a departure, from the previous focus on reducing the harm caused by drugs to a focus on recovery as the most effective route

out of dependency. We want to look at that further and examine what that would mean.

It is important to note that the Home Secretary, in her foreword to the drugs strategy, states that during consultation the Government looked at the issue of liberalisation and decriminalisation, but decided that that was not the answer—that it fails to recognise the complexity of the problem and gives insufficient regard to the harms that drugs pose.

I want to explore the drugs strategy a little further and test some of its statements against the reality of the current policies being put forward by the coalition Government in areas such as health, education, benefits and criminal justice. The backdrop to the strategy was the announcement of the comprehensive spending review and the budgets that will be available to the pubic sector over the next few years. I focus particularly on the budget allocations to the police, local authorities, the NHS and the education sectors. They all have a very important role to play in drugs policy.

In line with the coalition's general thinking, the strategy features a move away from a top-down to a local decision-making approach—the localism agenda. I hope the Minister can reassure me and other hon. Members that good practice, which does exist around the country now, will continue to be spread and that we will not see only pockets of good practice, with the rest of the country left to mediocre practices. I hope the Minister can reassure me about that, based on this new local approach.

There are three areas on which I want to comment. There is the issue of reducing demand. We know from research that people from backgrounds in which they face problems, such as homelessness, unemployment or exclusion from school, are more likely to take drugs.

There are policies in the strategy that include a great deal about early intervention and getting to those groups early on to stop them from taking up drugs. There is mention, for instance, of the 4,200 additional health visitors that the coalition Government will have in place by 2015. That is all well and good, but I am concerned about how we are to train those additional health visitors, and also about where the money is to come from for those additional professionals.

The situation is the same with Sure Start. The strategy mentions Sure Start and the coalition Government recognise the important role that Sure Start and children's centres play. We all know that the funding of the 3,500 that were opened under the previous Labour Government will now go to local authorities and will no longer be ring-fenced. As local authorities are under huge pressures to balance their budgets, I ask the Minister to look carefully at whether the role of Sure Start and children's centres will be as effective as the strategy sets out, with reduced resources.

There is also mention of the national programmes of support for families with multiple problems. Again, I hope that that money will be protected. Pilots of those programmes are showing very good results. Will the Minister respond by saying how he will secure the resources to ensure that that category of early-intervention project is as effective as it can be?

I want to mention education. All of us recognise how important drugs education is. My right hon. Friend the Member for Coventry North East mentioned FRANK, which he was pleased to hear was still going. That is right, and most people accept that the initiative has been a success. However, drugs education has to be more than just a website. We know the important role that schools play in getting messages across to young people. I am concerned about the changes that we are seeing in the education sector—the move to a narrower academic approach in schools, moving away from the Department of Children, Schools and Families' approach, which was about Every Child Matters and championing the well-being agenda. That seems to have been sidelined within schools with the new approach of the Secretary of State.

Will the Minister reassure me that drugs education will remain an important subject in schools? I was deeply disappointed that at the very end of the previous Parliament, the Conservative party blocked personal social and health education from becoming a statutory, compulsory subject in schools. PSHE is a good vehicle for ensuring that drugs education is present and effective in the educational setting.

My hon. Friend the Member for Gedling (Vernon Coaker), a former drugs Minister and schools Minister, made it clear to me that if teachers are expected to provide good drugs education, they need training, resources and the use of external experts to come and talk to children and young people. That all takes resources and I am concerned that those may not be available to schools and head teachers.

I wanted to pick up one other point on education, which is in the section of the strategy dealing with reducing demand, and encouraging young people to stay in education and obtain qualifications to help them get employment. There is one section that deals with educational opportunities and talks about supporting children and young people from disadvantaged backgrounds to stay in education. I read that and thought it did not fit well with the coalition Government's current policy to remove educational maintenance allowances. That has a direct effect on some of the disadvantaged communities, where drugs have been a problem. As a number of hon. Members have already said, the removal of the EMA is a real problem when trying to encourage young people to stay on up to 18.

I move on to restricting the supply of drugs. The strategy is building on the good work over the past few years and relies on a number of factors. One is around good neighbourhood policing, and of course we have seen additional police numbers over the past 13 years. We now face a 20% cut to police budgets. PCSOs, who often provide an effective presence on the streets, will have their numbers cut. Again, I seek reassurance from the Minister about how the strategy will deliver, given that reduction in resources. Under the Police Reform and Social Responsibility Bill, which had its Second Reading earlier this week, police and crime commissioners are to set out the strategic direction for police forces. When the Bill comes to its Committee stage, we will want to consider the possible conflict between reduced resources and the fact that police and crime commissioners will probably want to play a part, encouraging the police to join them in partnership working. It will be difficult for police commissioners to square that circle of not having the resources needed to provide effective partnership working.

[Diana Johnson]

Legal highs are mentioned in the Police Reform and Social Responsibility Bill. The Minister knows that there is common cause on tackling legal highs, as there have been a number of debates on the subject over the previous few months. There is common cause not only because it is the right thing to do; the previous Government began the journey, and the present Government are continuing on a similar line. What is proposed in the Bill will prevent manufacturers from tweaking compounds to stay ahead of any ban.

The chair of the Advisory Council on the Misuse of Drugs says that the Bill permits a systematic approach, which is to be welcomed. Clause 149 of the Bill allows the Secretary of State to introduce temporary class drugs orders to deal with the problem of legal highs. Overall, we support the proposal, but we shall want to examine it further in Committee. The matter was raised in a previous debate, but will the Minister give some indication of the cost of legal highs' being banned for up to 12 months?

I turn to the question of building recovery in communities, the individual tailored approach set out in the document. Although it is recognised as important, I hope that there will be true recognition of the need for different approaches, and that they will be deemed equally valid. For some people, moving on to methadone and remaining stable and able to function as members of the community may be seen as a positive result, whereas for others being entirely drug free will be the right goal.

I do not agree with the hon. Member for Stroud (Neil Carmichael). He seemed to imply that we did not need to have a range of treatments, although he spoke passionately about the Nelson Trust and the excellent work that it does. The hon. Member for Burton (Andrew Griffiths) spoke about the Burton addiction centre, and told us about Jamie's view of the situation. However, I believe that we need a plurality of approaches. We cannot have a one-size-fits-all approach for something as complex as dealing with drug treatment. Martin Barnes, the chief executive of DrugScope, said:

> "The aspiration for treatment and recovery is to be applauded, but the challenge will be ensuring that high level ambition is delivered and sustained locally, not least at a time of policy change, uncertainty and spending cuts."

The massive reorganisation of the NHS means that PCTs will be going and that GPs will hold 80% of the NHS budget. Along with the creation of the national public health service, and local authorities taking on the public health role, the way in which much of the public sector is to operate will be a constantly moving feast. I understand that public health money is to be ring-fenced, but it is unclear exactly how much money local authorities will have for dealing with public health matters in their areas. I believe that directors of public health will commission services locally. The services will be competitively tendered and rewarded, and there will be transparency about the performance of any drug treatments contracted for.

We heard earlier in the debate about payment by results. I hope that we will be able to explore that question further, and to discover how the pilots, which will be created by 2011, will work. We need more detail about how they are to be judged successful. Will it be if people become drug free, or if they are merely stable and able to function on methadone? We need that information.

Andrew Griffiths: The hon. Lady raises a point that is crucial to the success of payment by results. The danger is that certain providers will cherry-pick the easy-to-cure addicts, and that the more difficult and complex cases will be abandoned. Does she agree that we need to ensure that providers that deal with the toughest cases should be properly rewarded?

Diana Johnson: We will want to look carefully at the pilots and exactly how such problems might be dealt with. There must be an imaginative way of dealing with that matter, but we need more detail. The strategy sets out in broad terms what the Government want to do, but the hon. Gentleman is right.

There is also the question of prisons and the criminal justice system. Reference has been made to the proposals in the Green Paper published by the Secretary of State for Justice. It is worth pointing out again that resources and funding will be required. For the approaches that the majority of Members want to see put in place, the important question is where the money and resources will come from.

We also need to deal with the social issues set out in the strategy, such as the reintegration of former drug addicts so that they can obtain housing and employment. Such matters sit uneasily with some of the proposals made by the coalition Government on housing, housing benefit and changes, and that may cause problems for people returning to work. Those matters, too, need to be considered.

As my right hon. Friend the Member for Coventry North East said, clause 150 of the Police Reform and Social Responsibility Bill will remove the requirement for certain appointments to the Advisory Council on the Misuse of Drugs to have a scientific background. It will remove the requirement set out in the Misuse of Drugs Act 1971 to include those with wide and recent experience of medicine, dentistry, veterinary medicine, pharmacy, the pharmaceutical industry and chemistry, and those with experience of the social problems caused by drug abuse. That approach rather undermines the view of the Minister for Universities and Science, who wrote into the ministerial code the principles for respecting independent advice—including scientific advice, obviously and importantly.

The Liberal Democrats seem to be in some difficulty on this question. The hon. Member for Carshalton and Wallington (Tom Brake) raised it in an intervention, and the hon. Member for Cambridge (Dr Huppert) has tabled EDM 1148. The problem is that the Liberal Democrat 2010 manifesto says that drugs policy should always be based on independent scientific advice, including making the ACMD independent of Government. There will be some discussion in the coalition about how to deal with that, as it seems that that pledge is in danger of bring broken.

I look forward to hearing from the Minister, and particularly to his answer to the question posed by my right hon. Friend the Member for Coventry North East on evaluating the success of the drugs strategy, and at what point we can have a further debate to consider whether the strategy has worked.

4.28 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): Thank you, Mr Walker, for presiding over this Westminster Hall debate on drugs policy, and for giving me the opportunity to speak on a subject that I know is of real concern not only to right hon. and hon. Members in the House, but to communities throughout the country.

It is obviously a timely debate, given that the coalition Government launched their new drug strategy on 8 December. The development of the strategy was supported by a targeted consultation exercise in the autumn, which generated more than 1,800 responses. That shows how seriously people take the matter, and how important it is that the Government get their drug policy right. We have worked hard to achieve precisely that.

I congratulate the right hon. Member for Coventry North East (Mr Ainsworth) on securing today's debate. It is right that we should debate these issues. Although we may disagree with the approach, it is, I think, an honest disagreement on the basis of emphasis, priority and what is likely to be most effective. In no way would I impute anything other than honourable intentions to the approach that he seeks to bring this afternoon. None the less, there is clearly a difference of opinion across the House and probably across his own party. Although he clearly brings passion and belief to the debate, I genuinely disagree with him on a number of issues that he has raised this afternoon.

On the issue of the criminal justice system, I ask the right hon. Gentleman to reflect on recent developments. The hon. Member for Kingston upon Hull North (Diana Johnson), who speaks for the Opposition, has just highlighted the issue of legal highs. One of the challenges that the Government have faced was the perception that because a drug was legal it was safe, and the way in which that was interpreted by many young people.

Putting a legal framework around some of the newly emerging psychoactive substances did have an effect. It reduced demand. It telegraphed very clearly that these were dangerous drugs and could significantly harm health. That in itself provided a significant public health message as well as a criminal justice framework around both supply and possession.

This is a changing environment. Issues and challenges are emerging to which the Government must respond. Indeed we need to look at why people become addicted and why they become involved in drugs in the first place. The problem is complex and cannot be resolved by looking at criminal justice in isolation. Other factors must be taken into account, such as intergenerational deprivation and treatment pathways, which we emphasise very clearly in our drugs strategy.

I genuinely welcome our discussion and the approaches that right hon. and hon. Members have brought to it this afternoon. As for the notion that our proposal on the Advisory Council on the Misuse of Drugs is silly—that was probably the one pejorative phrase that the right hon. Gentleman used during the course of his contribution this afternoon—let me say to both the right hon. Gentleman and the shadow spokesman that its existing framework is a matter that has merited our careful consideration. Our proposal should in no way be characterised as Government not wanting to receive scientific advice.

As hon. Members will know, there are different types of members of the ACMD: the statutory and non-statutory members. We are not convinced that drawing that distinction between the two is necessarily sensible. Equally, the need for scientific and other expert advice has changed over the years. Indeed, the science itself has changed, and it is important to have flexibility in the arrangements on the construction of the ACMD. That was the purpose that lay behind the provisions in the Police and Social Responsibility Bill.

The ACMD was supportive of the proposal. It acknowledged that it is questionable whether the statutory positions in the Act correlate with how the council now operates. It considered that the proposed change was particularly important given the introduction of the temporary bans and the need to provide advice within short timeframes.

The chief scientific adviser to the Home Office, Professor Silverman, has also consulted the wider scientific community and garnered broad support. The flexibility of bringing different expertise to the ACMD as the drugs landscape changed was welcomed. Those consulted were the Academy of Medical Sciences, the British Academy, the British Society of Criminology, the Royal Pharmaceutical Society, the British Pharmacological Society, the Royal Society and the Royal Society of Medicine. The proposals also had the support of Sir John Beddington, the Government's chief scientific adviser.

I just want to put it on the record that this is in no way seeking to undermine or weaken the scientific approach that we wish to take over the formulation of drugs policy. We very much value the scientific input and the relationship that we have with the ACMD in the formulation of policy. That is very important and I would not wish in any way to give the impression that the Government were, in some way, not looking to scientific advice or input or not having that expert involvement in the formulation of policy. It is important that I state that this afternoon.

There were some good contributions by a number of hon. Members this afternoon, which highlighted the various different treatment providers in their constituencies. I welcome the work that is undertaken in that regard. When I come on to the main body of my speech, I will set out some of the themes that have emerged from the strategy, explaining how we wish to develop them further.

The right hon. Gentleman challenged me on the evaluation and asked how long we are seeking to pursue the policy framework that was set out in the drugs strategy. Let me say that this is the Government's drugs strategy for this Parliament. None the less, let me draw the attention of the right hon. Gentleman to the penultimate paragraph of the drugs strategy, which makes it clear that we are committed to reviewing the strategy on an annual basis.

Such a review will allow us to respond to new and emerging evidence and to respond flexibly to the changing nature of the drugs trade and the outcomes being achieved. That is something that we have underlined along with the need to ensure that we consider the newly emerging evidence as it moves forward.

Mr Ainsworth: I thank the Minister for his firm support for continued scientific input on the advisory committee. In the annual report, if there is no evidence

[Mr Ainsworth]

of decreased availability, of an improvement in drug problems in the country next year, is he prepared to consider other prohibition?

James Brokenshire: I do not intend to have an annual debate on decriminalisation. What I want to see is the emerging evidence. Some of the issues that are raised are sometimes on the basis of supposition and assertion and we will look at any clear evidence that appears. I have been considering this issue for quite some time, as I know that the right hon. Gentleman has, and the comments that I make this afternoon are made not because I am on the Front Bench or the Back Bench, but because they are honestly held views. We are simply not persuaded by the arguments on decriminalisation because we feel that it will increase supply, that it does not take account of the complexities of the drug problem—why people become addicted to drugs in the first place—and that it could make the situation worse. It is a question of looking at the outcomes of our policy.

The pilots around payment by results will be introduced during the course of this year. It would be premature to expect results over the course of 12 months. This is a five-year strategy—or a four-and-a-half-year one now. We will be considering not only the interim outcomes that will be produced by the strategy, but the evidence and the performance that sits alongside the course of the strategy as it is implemented. That is the responsible and sensible thing to do.

The right hon. Gentleman said that drugs have become a party political football, but I believe that they are becoming less of that. I certainly welcome some of the comments that were made this afternoon by the hon. Lady who speaks for the Opposition in relation to the approaches that have been set out in the new drugs strategy. I also appreciate the welcome that has been given to our proposals for dealing with legal highs and the temporary bans that are suggested in the new Police and Social Responsibility Bill. I hope that even this afternoon we are having a measured debate, even if we disagree on some of the themes and issues that are being debated. It is important that we have a sensible and measured debate, even if we may fundamentally disagree on some issues. At least it sets a measured framework around the discussion of some of these themes, which I know is sometimes difficult to achieve in debating what is a sensitive issue that often provokes a number of passions.

I would also take issue with the claim that the approach on enforcement is not capable of working, especially when one considers that the quality of cocaine on the streets is, in some cases, as low as 10% in purity at the moment. That shows some of the very effective work that is taking place, both in-country and also upstream back to places such as Latin America, where cocaine—from coca production—comes from, as I know that the right hon. Member for Coventry North East will know very well. When I visited Latin America at the end of September, I was very impressed by a number of measures that Governments in that region are undertaking, not only to tackle production but to undermine and take very clear action against the organised crime groups that do harm in this country as well as in Latin American countries. That co-operation between countries on enforcement and on sharing intelligence is a very effective way of responding to some of the organised crime groups, including seizing assets and using such powers more effectively to get at what is driving a number of those groups. I know that right hon. and hon. Members will have seen that that has been a theme that we have developed clearly in the drugs strategy itself.

The new drugs strategy is a critical articulation of our reform programme and work to tackle the key causes of societal harm, which include crime, family breakdown and poverty. It sets out a different approach to tackling drug use and dependence. The difference from previous strategies is the focus on the key aim of supporting and enabling those who are dependent on drugs and alcohol to recover fully, and the strategy places responsibility on individuals to seek help to overcome their dependency. Alongside our holistic approach to supporting people to overcome their dependency, we will also be reducing the demand for drugs, by taking an uncompromising approach to crack down on those involved in the drugs trade and shifting power and accountability to local areas to tackle the damage that drugs and alcohol dependence cause to communities.

The strategy sets out two high-level ambitions; first, to reduce illicit and other harmful drug use, and secondly to increase the numbers of individuals recovering from their dependency on drugs and alcohol. I think that we are seeing a changing pattern in what the experts would describe as polysubstance abuse; drugs are not being taken in isolation, but are being taken together. That is why it is important in the treatment framework to ensure that alcohol is part of that treatment platform. These ambitions will be achieved through activity that will encompass three themes: reducing demand; restricting supply, and building recovery.

On reducing demand, we will focus on establishing—

Andrew Griffiths: I think that the vast majority of those involved in drug treatment recognise that it will take a while—a period of time—to see meaningful results. We have to change the ethos in relation to recovery and we have to up-skill a work force and teach them the new skills that they will need. I think that the right hon. Member for Coventry North East (Mr Ainsworth) is the only person who is looking for a quick fix.

One of the elements that is very important is the role of those people who are in recovery in the community. In my own constituency of Burton, what has been a huge success has been the fact that addicts in recovery are going out and being advocates for not taking drugs. They are going into schools and educating young people, which is far more powerful than the Minister or somebody else standing up and saying, "You shouldn't take drugs."

James Brokenshire: I agree, and the issue of champions is developed in the strategy; I hope to discuss it shortly. Having visited the Burton addiction centre, I know that the approach of detox, rehabilitation, recovery and resettlement really takes people down that pathway. Equally, using the 12-step programme and then receiving ongoing support from other community and voluntary sector organisations can work in responding to and dealing with those challenges posed when people relapse. It is important to have the support in the community to support those people and deal with those situations.

We will focus on establishing a whole-life approach to prevention and breaking intergenerational paths to dependence. Under this theme, we will focus on early years prevention, particularly for those families with multiple needs, to improve children's life outcomes. On that point, we are establishing the early intervention grant, to bring together funding for services for the most vulnerable children and young people. It will be worth around £2 billion by the end of the period that we are talking about, including funding for family support, Sure Start and targeted youth support. Further detail about how we expect that money to be spent will be made available shortly. I am sure that the hon. Member for Kingston upon Hull North will be looking out for that information in response to the questions that she posed in her contribution this afternoon.

Alongside early prevention, good-quality drug and alcohol education and information will be provided to young people, families and parents, through schools, as part of their pastoral responsibilities, and through colleges, universities and the "FRANK" service. We will ensure that accurate information and advice is provided on the effects and harms of drugs. We are committed to giving schools greater freedom and flexibility, and we want them to be free to innovate. The Department for Education will conduct an internal review to determine how it can support schools to improve the quality of all personal health and social education teaching, including drug and alcohol education. Intensive support will be provided to vulnerable young people, such as those who are truanting or excluded from school, to stop them becoming involved in drug or alcohol misuse. Drug and alcohol services will be encouraged and supported to make the best use of early interventions, such as parenting and family support projects, to keep families together and aid the recovery of parents who are misusing drugs.

On supply, we will reduce drug-related crime, drug trafficking and organised crime's involvement in the drugs trade. The new National Crime Agency will lead the fight and with the UK Border Agency it will deliver on the Government's determination to enhance the security of our borders. We will take action to stop drug traffickers profiting from the drugs trade, through cash seizures and asset forfeitures, money laundering prosecutions, and civil and criminal recovery prosecutions. We will also tackle the trade in drug precursors, which are compounds required to produce drugs, by working with producer countries, the legitimate trade in those compounds and international partners. We will strengthen international partnerships and make best use of the Government's capabilities overseas to disrupt drug traffickers at source or in transit countries.

The introduction of police and crime commissioners will bring local democratic accountability to policing, ensuring that where drug-related crime is a problem for local people it is tackled as a priority. PCCs will be at the heart of an integrated community response to improve co-ordination between the police, community safety partnerships, communities, drug services and users, and the public. I look forward to the debate during the Committee stage of the Police and Social Responsibility Bill about PCCs, because we believe that they will be an important facet in driving change at the local level. We will also address the issue of so-called legal highs through the development of temporary banning orders, by improving the forensic analytical capability to detect new psychoactive substances and by establishing an effective forensic early warning system.

On recovery, we will focus on building a recovery-led system to enable individuals to become free from dependence on drugs or alcohol and to contribute to society. Although recovery is something that is personal to each individual, the strategy sets out three key principles for recovery: well-being, citizenship, and freedom from dependency. The individual will be placed at the heart of the system, with personalised services providing appropriate support.

We have touched on the issue of payment by results and the models that are being developed around that approach. The detailed information on those models will be provided in the early part of next year, as we are looking to develop those pilot projects. Perhaps I might give some indication of the sorts of outcomes that we are looking to achieve, because I think that it is those outcomes that will telegraph our desire, strategy and approach in this regard. They are very much focused on helping individuals to be free from clinical dependence but they will also look at offending, employment, health and well-being, and the outcomes in those areas. Taking that approach will help us to deliver and I think it will inform the pilot projects as they develop, including the treatment and recovery processes that are involved in the broader system.

The recovery system will also be locally led and owned. Public Health England will be established from April 2012 and a ring-fenced public health budget will be allocated from April 2013. The commissioning and oversight of drug treatment and other recovery services will become a core part of the work of Public Health England. We will look to directors of public health, jointly appointed by Public Health England and local authorities, and located within local authorities, to work with a range of local partners and the health and well-being boards to design and jointly commission services that most meet local needs.

Nationally, we will not prescribe the approach, but will develop and provide an evidence base of what works—the hon. Member for Kingston upon Hull North and others mentioned that theme. We will create a recovery system that focuses not on getting people into treatment and keeping them there, but getting them off drugs and alcohol for good. Substitute prescribing continues to have a role to play in the treatment of heroin addiction, in stabilising drug use and supporting detoxification. Medically assisted recovery can and does happen. However, for too many of the 150,000 people currently on a substitute prescription, what should be the first step on the journey to recovery is where their journey ends. That must change. We will ensure that all those on a substitute prescription engage in recovery activities and so build upon the 15,000 heroin and crack cocaine users who successfully leave treatment every year, having overcome their dependency.

Recovery can be contagious. People tell us that they are most motivated to start on their individual recovery journey by seeing the progress made by their peers—a point made clearly by my hon. Friend the Member for Burton (Andrew Griffiths). Those already on the recovery journey are often best placed to help. Active promotion and support of local mutual aid networks will be key. We will also support communities to build networks of recovery champions to help such individuals at the start of their recovery journey.

[James Brokenshire]

People's housing needs must be met to secure their recovery. We will work with local authorities and housing providers to share best practice and to examine the development of a payment-by-results approach to housing services. The strategy will ensure that the benefits system supports engagement with recovery services. It will offer claimants with a substance dependency a choice between rigorous enforcement of the normal conditions and sanctions if they are not engaged in structured recovery activity, or appropriately tailored conditionality for those who are.

A key contributor to recovery is employment. The strategy sets out how we will equip people in recovery with the confidence and necessary skills to compete in the labour market, encouraging them into a range of employment opportunities through training, work trials and adult apprenticeships. We also plan to introduce a small number of pilots to explore how payment by results can incentivise providers to support recovery. We will work with the pilot areas to co-design the approach. The work on implementing a payment-by-results approach for drugs recovery will help set the future direction for all commissioning of drug services under Public Health England. Such work will complement that being undertaken within the criminal justice system to encourage drug and alcohol misusers into recovery-focused services, including: developing and evaluating options for providing alternative forms of treatment-based accommodation in the community; making liaison and diversion services available at police custody suites and courts by 2014; and diverting vulnerable young people away from the youth justice system where appropriate.

As I have said, evidence is of crucial importance in the field of drugs. The most recent study of the outcomes of drug treatment, the largest area of spend for the strategy, found that drug treatment was cost beneficial. For every £1 spent on treatment, £2.50 was saved, and drug treatment was found to be cost beneficial in 80% of cases. In order to allow us to evaluate the strategy, an evaluation framework is under development. It will aid assessment of the evidence currently underpinning the themes of the drug strategy and identify where new evaluation is required to provide a better assessment of effectiveness and value for money.

During the consultation process, which informed the development of the strategy, some respondents advocated liberalisation and decriminalisation as a way to deal with the problem of drugs, in many ways returning to some of themes we have been debating this afternoon. The Government do not believe that liberalisation and legalisation are the answer, for the many reasons I have highlighted. Such an approach addresses neither the risk factors that lead individuals to misuse drugs or alcohol, nor the misery, cost and lost opportunities that dependence causes individuals, their families and the wider community. By delivering on the national commitments set out in the new drug strategy and enabling local partners to take responsibility at a local level, we will ensure that individuals, families and communities will be stronger and healthier. I very much look forward to continuing the debate in the months ahead.

4.54 pm

Mr Ainsworth: The hon. Member for Burton (Andrew Griffiths) said that I am the only person who is looking for a quick fix. No one understands more than I do how busy Ministers are. I know the work that the Minister will have undertaken in his consultation—writing the documentation and everything else over a period. However, can he find a little time over his Christmas break to do what I did: put our drug strategy refresh together with his drug strategy—eight years apart—and look at the phrases, issues and so-called solutions?

The Minister will find that we had overarching strategies and key principles. I cannot remember if we had three or four themes—he has three themes. He thinks that seizing assets will be part of the solution—I took the Proceeds of Crime Bill through the House in 2001, with all-party support, and it has been on the statute book since 2002. He thinks that upstream interdiction will solve the problem—look at our strategy and see how much emphasis we put on upstream interdiction eight years ago. He thinks that champions are new—look at champions in our strategy. Also, look at action against precursors in our strategy, which is another thing that he is saying will, in some ways, deliver something.

The Minister thinks we are having some success, and that adulterated drugs on the streets of London are an indication that policy is working. The hon. Member for Burton thinks that the war on drugs is not working, while the Minister thinks there is some evidence that it is, but there has been feast and famine in drugs repeatedly over the years. At the moment we have a famine—we have a shortage of heroin and a problem in Afghanistan. However, it will be got over, and we will see availability increase again, because there is too much profit for that not to happen.

The Minister will have an annual review, although he is not prepared to look at the alternatives. His mind is closed—he has his drug policy—but he will have the annual review and participate in it. Let me predict something that I say with huge sadness: when we get to the annual review, heroin will still be freely available in the towns and cities of this country, the price will not have gone up astronomically and, in all probability, the adulteration level will have gone down, because it is at a high point at the moment. We will have lost another year and gained little, and the argument for alternatives will have grown stronger.

I knew before I started that the Minister would not move. I ask him to keep an open mind. I know how hard that is and how very difficult it is for him or for my right hon. and hon. Friends to deal with, but he will find, sadly, that I will be right. We will be saying the same things in a year—if he is still in post, because he might have moved on to greater things—and, sadly, we will have lost another year. However, we will keep up the debate and, hopefully, we will get there.

Question put and agreed to.

4.58 pm

Sitting adjourned.

Westminster Hall

Tuesday 21 December 2010

[MR JAMES GRAY *in the Chair*]

Local High Streets

Motion made, and Question proposed, That the sitting be now adjourned.—*(Andrew Stunell.)*

9.30 am

Chris Skidmore (Kingswood) (Con): Thank you, Mr Gray, for allowing me to introduce the debate. I am very grateful to the hon. Members who have turned up for braving the snow and ice to be here on the final day of the parliamentary term.

The debate is on an extremely important subject, which I believe hon. Members and the public will welcome the opportunity to discuss. There is barely a constituency in the country that does not contain a local high street of sorts, whether it be in a village, town or city, rural community or urban area. Our high streets are the beating hearts of our local communities. They are the vital hubs where essential services are located and where people meet for both business and recreation. The small shops based in those centres are often run by hard-working, small, independent businesses that employ local staff who provide a really personal service to their communities, and ensure at the same time that money is spent and therefore kept within the local economy.

In recent years, there has been a great deal of focus on the decline of local high streets. In many communities, independent retailers have come under threat. They have faced a rising burden of regulation and tax, a daily battle against crime and violence, and competition from the growth of out-of-town shopping centres. It has been estimated that in 2009 alone, 12,000 independent shops closed. Throughout the country, one does not have to look far to witness the sad sight of rows of empty high street stores, either boarded up or left vacant for months on end.

In Kingswood, my constituency, the situation is no different. For many years, local people—constituents whom I meet on the doorstep and at my surgeries—have been concerned that Kingswood high street, although still a great place to shop that features fantastic local stores, could be improved and given a better chance to stand up against out-of-town shopping centres to become once again the beacon of the Kingswood community. Local people have told me that for too long, Kingswood seemed to have been forgotten by politicians or those in authority, and that allowing local high streets to fall into disrepair sends a message that we do not care about our local community. I am determined that in Kingswood that will change. As the new local MP, I pledged that for the first time in 18 years, Kingswood would have its own MP's office based in Kingswood, on the high street. That is not merely a token symbol; it is testament to my commitment to make Kingswood a better place to live and work, to invest in our local area.

That is one of the reasons why I called for the debate: I believe that many of the issues we face in Kingswood are exactly the same issues that need to be resolved at national level through Government action and legislation passed here in Parliament. It is here that we can give local people and local communities, in Kingswood and elsewhere, the opportunity to influence and shape the destiny of local high streets. Indeed, we must do so. After all, local high streets are the backbones of our local communities. A thriving high street points to a thriving community, but it must be the community that is at the centre of deciding the future of its local high street.

In discussing the regeneration of local high streets, I do not want to suggest that Kingswood high street is in a state of disrepair or that we are witnessing the so-called death of the local high street, left to rot, supposedly, by the increasing development of out-of-town shopping centres and malls. I merely want to discuss what we can do to make it a better place; I want us to discuss among ourselves what we can learn from one another's experiences in different local areas about what works.

In many ways, Kingswood high street has all the ingredients to thrive and to restore its former glory. The Kings Chase shopping centre has done excellent work in restoring the fabric of the covered shopping area, while the introduction of a new Boswells café is a welcome move that will no doubt increase footfall. However, it is the recent establishment of the Kingswood Business Association that I believe gives greatest hope to the area. Working tirelessly to promote Kingswood, the business association is working with South Gloucestershire council to make Kingswood high street as vibrant a place as any.

The association is in the middle of carrying out a health checker exercise, asking what are the current and future needs of businesses in the local area in order to make Kingswood a sustainable place to work and shop. On the basis of that understanding of what is needed to maintain the vitality of Kingswood high street, the Kingswood Business Association is proactively seeking tenants to fill empty units—businesses that will particularly help to complement existing ones. Tackling the early symptoms of degeneration ensures that local businesses have an important steer on the future direction of their high street, taking responsibility for their local area. I welcome the recent launch of the "Healthy High Street?" guide by the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), to promote at a wider, national level the good practice that is already taking place in Kingswood.

The Kingswood Business Association has also recognised that there are many ways in which the high street can be promoted for little cost, by organising community events that can bring local people into the area to see what they are missing. This year, for instance, the Armed Forces day celebration, with veterans marching side by side down Kingswood high street, was a great success. Stalwart organisations such as the Friends of Kingswood Park and other leading champions of Kingswood such as Diane Block and George Kousouros should be given credit for all the hard work that they have put in over the years to make such events a success.

As the local MP, I am hoping next year to make Kingswood high street the focus for community celebrations once again. This time, I want to make Kingswood the place to celebrate St George's day, and I am currently working to organise a parade along the high street to mark it. Local high streets can be the perfect place to

[Chris Skidmore]

celebrate such events—events that, although simple, are effective, helping to bring people together and getting local businesses talking to one another.

However, sustaining a local high street and a community cannot just be about organising events or shopping locally at independent small shops. We need to act as a Government to provide the breaks necessary for independent small businesses to thrive. Rate relief helps to keep financially afloat many small businesses on local high streets, yet at the same time many small businesses do not take up or even know about small business rate relief and consequently pay money that they do not need to pay to local authorities.

After the Federation of Small Businesses began a campaign for rate relief to be applied automatically, rather than businesses going through the bureaucratic process of applying for it, automatic small business rate relief was introduced in Northern Ireland. It has injected more than £8 million into the local economy and benefited 16,000 small businesses. It is to be welcomed that the Localism Bill now proposes to allow small business rate relief to be paid automatically to eligible small businesses. South Gloucestershire council made a submission under the Sustainable Communities Act 2007 for automatic small business rate relief and is extremely pleased to see Ministers acting on that proposal.

I welcome the commitment in the local growth White Paper to double small business rate relief for one year from October; eligible ratepayers with rateable values below £6,000 will pay no rates at all for that year. It is also welcome that the Government are committed to taking legislation through the House to ensure that no new supplementary business rate can be imposed without the backing of local firms in a referendum. I particularly welcome the consideration of the possibility of giving local authorities wide-ranging discretionary powers to grant business rate discounts, so that they can respond to local circumstances by reducing business rate bills. In Kingswood, that might provide the opportunity for the high street to become an enterprise growth zone, offering local businesses and retail organisations the opportunity to invest in Kingswood with the reward of lower rates, creating our very own enterprise zone.

Damian Collins (Folkestone and Hythe) (Con): Does my hon. Friend agree that those ideas for rate discounts would be very interesting to food businesses, and particularly to traditional food businesses such as grocers, bakers and butchers, which often have quite tight margins and can struggle if they are in a particularly highly rated area?

Chris Skidmore: That is an extremely interesting point. I had not considered it, but obviously there are many shops on the high street of that nature, so such a measure would indeed be extremely valuable.

Equally promising is the £1 billion of Government funding that has been set aside for councils that welcome new housing development. They will be able to spend it to benefit their local economy. In Kingswood, there are areas of brownfield land in need of development. At the same time, there is a great need for more affordable housing in the area. The new homes bonus—the Government's proposal to match the council tax raised from the construction of new homes, supplemented by £350 per home for the first six years—will provide the opportunity for even greater investment in Kingswood, which might be spent on improving the local high street and its surrounding areas.

Increased investment and financial incentives are vital to protecting our local high streets, but we must also address the imbalance between our historic high streets and the growth of larger out-of-town retail centres or malls. It is there that we have the chance to learn the lessons of the past, and not to penalise small businesses in favour of larger retail outlets. I welcome the change in attitude displayed in the coalition's programme for government, which states that it

"will seek to ensure a level playing field between small and large retailers by enabling councils to take competition"—

Joseph Johnson (Orpington) (Con): I congratulate my hon. Friend on securing the debate. Does he agree that the Mayor of London's Great Outdoors programme has been particularly successful? My constituency has been lucky enough to benefit from the programme; Orpington was beset by structural decline for many years, with Bluewater a few miles down the road on one side and a great shopping centre in Bromley on the other. In July this year, Orpington was lucky enough to benefit from a £2.2 million regeneration programme.

Mr James Gray (in the Chair): Order. Will the hon. Gentleman be brief?

Joseph Johnson: The programme was one of 50 projects that the Great Outdoors programme has used to regenerate outdoor spaces and urban centres across the region.

Chris Skidmore: I am sure that my hon. Friend will agree that the Mayor is a great visionary, and we can learn a lot from many of the ideas that he has proposed so far during his tenure.

John Hemming (Birmingham, Yardley) (LD): On the question of a level playing field, does my hon. Friend agree that there is merit in the Government's making a detailed study of the challenges for smaller businesses compared with multiples?

Chris Skidmore: Absolutely. I do not want to put across a message that we are anti-supermarket or anti-big business. This is about striking an appropriate balance between the two, and ensuring that small businesses are protected while at the same time ensuring that people in every constituency have choice—as they must.

I welcome the change in attitude displayed in the Government's programme, which will seek to ensure a level playing field

"by enabling councils to take competition issues into account when drawing up their local plans to shape the direction and type of…retail development."

In Kingswood, South Gloucestershire council has taken that message on board and made special provision for town centres and local high streets in its core strategy. It was also heartening to read the speech made by the Secretary of State for Communities and Local Government on 2 November at the Heart of the Community conference, when my right hon. Friend stated

"we continue to support the 'town-centres first' policy, after all, a Conservative Government introduced it in 1996."

That is something that the Conservative party, for one, has long campaigned on, and I look forward to hearing how the coalition Government will ensure that it takes place.

Above all, I welcome the local growth White Paper, which sets out the Government's economic ambition to build a fairer and more balanced economy driven by private sector growth within local communities. Indeed, it set out their commitment and belief that viable town centres are also key drivers of our economy. That can only benefit our local high streets, in particular by reforming the planning system so that it is driven by communities who want growth, rather than applying the system we inherited, which stifles development and innovation, and acts as a barrier to economic recovery.

Henry Smith (Crawley) (Con): In my local authority, several years ago Crawley borough council and West Sussex county council worked closely together to regenerate the high street. There is another thoroughfare—The Boulevard—in my local authority area, which the local councils are now looking to redevelop. With the local growth White Paper, and the localisation of planning policies that the coalition Government are introducing, is it not the case that local councils will be even more successful in achieving such things?

Chris Skidmore: I entirely agree with my hon. Friend, who did a tremendous job during his tenure at West Sussex county council. I hope the Government can take forward some of that work and learn from what he implemented in West Sussex.

By introducing a presumption in favour of sustainable economic development—it must be sustainable—and introducing a new right for communities to shape their local areas through neighbourhood plans, we are providing the seedbed in which local businesses will be able to flourish and expand. It is about ensuring that the high street and the people who live in a community have a viable, sustainable economic future. Parking, transport, procurement, and the threat from supermarkets and out-of-town developments are all best dealt with by local authorities, local community groups, local businesses and local people working together. Allowing local people the chance to get involved in the planning process is crucial if we are to improve decision making. Local problems, I believe, are always best solved at local level.

Many planning decisions involve the introduction of new buildings, yet we must not forget that the nature of many local high streets—historic landmarks in our towns and cities—means that they contain historic buildings in need of constant preservation. All too often, the presentation of local high streets is judged on the condition of those buildings and their quality of repair. It is vital that such buildings—many grade listed—be maintained and kept in the best condition possible. On Kingswood high street, the local Royal British Legion club has recognised that, and spent tens of thousands of pounds on repairing and cleaning the outside of the building, which is one of Kingswood's landmarks. That has restored the building to its former glory and done much to improve the look of Kingswood high street; the members of the Legion should be thanked for all their efforts, which have made a real difference.

Sadly, not all buildings in Kingswood are fortunate enough to have been looked after so well. Just off Kingswood high street is Whitfield's tabernacle, a famous grade I listed building, which, together with its nearby chapel and grounds, has fallen into a tragic state of disrepair. For years, despite great public concern, the building has been allowed to crumble and its grounds become overgrown. As the new local MP, I am unwilling to allow this blight on the Kingswood landscape, so close to the high street, to be tolerated. Recently, I organised a joint meeting with South Gloucestershire council, English Heritage and the current owners to drive the restoration of the historic site. English Heritage has now committed £48,000 to urgent repair works on the tabernacle, and I will continue discussions with all relevant parties until we reach a workable solution.

Although the tabernacle project is once again moving, there are other derelict buildings near Kingswood high street or in its vicinity that I am campaigning to see restored or improved. The former Linden hotel is such a building, and I am determined to see it improved. Over the years, like the tabernacle, the building has fallen into disrepair. It is all too easy to sit back and allow that to happen, but much harder to stand up and do something about it. As local MPs, we must begin to tackle such problems if we are genuinely to stand up for our local areas. Such local buildings should never have been allowed to fall into such a state; but I am not here to challenge the past, only to champion the future.

Damian Collins: Does my hon. Friend share my concern about the role of landlords, particularly those with premises in town centres? The level of dilapidation of some of the retail stock in town centres is such that market forces alone would struggle to regenerate some areas.

Chris Skidmore: I agree that it is difficult, and landlords can often be recalcitrant in a difficult market when dealing with some of those problems. However, we need to push further to ensure that historic high streets and buildings in need of protection are regenerated where necessary. I am a strong champion of looking after those buildings.

We must have pride in our buildings and local areas if we are to have pride in our local communities. *The Sun*'s recent campaign to save the British high street has pointed out that sense of pride. We need to make our high streets more attractive places in which to shop. That can be achieved in a variety of ways, and often at low cost: planting trees or shrubs, installing hanging baskets, providing more bins and having dedicated teams to remove fly-posters, graffiti and chewing gum. All of that will make our high streets cleaner and more enjoyable to visit.

The Government need a strategy to tackle our empty and derelict shops, and to ensure that at local level, as is the case with the Kingswood Business Association, local communities can be empowered to get shops back into use, whether through local knowledge, sharing best practice or the introduction of lower rates set by the local authority. *The Sun*'s campaign has also pointed out the need to take a hard line on retail crime, for instance shoplifting and antisocial behaviour. I agree. Shoppers must feel safe in their local high street. If there is any chance that intimidation might take place, it must be tackled. Damaged or vandalised property must be repaired as soon as possible, and must never be tolerated. Equally, a business that is frequently the victim of crime is a business at risk of closing down. Tackling crime against small businesses can but assist urban regeneration.

We should recognise that the night life of local high streets is equally important to their reputation and long-term sustainability. In Kingswood, I found a mutual

[Chris Skidmore]

desire on the part of restaurant, pub and nightclub owners, the police and South Gloucestershire council to ensure that Kingswood high street is as safe a place as possible to enjoy a meal or a drink on a night out. The council has recently made a substantial investment in CCTV, at the same time as investing in taxi marshals to ensure that local people can get home safely.

Following the refurbishment of Kingswood civic centre—a huge investment by South Gloucestershire council, which signals its commitment to invest in Kingswood—I was delighted to see that local police will once again be based on Kingswood high street, enabling them to meet the local community's immediate needs and provide for its safety. We should constantly be on the lookout for ways to make our local high streets as safe as possible, and as the local MP, I continue to work with every interested party to ensure that that happens.

We are already witnessing new changes and new beginnings in Kingswood. Since the election of a new council in 2007, the local community has witnessed record investment, but change must be matched by a commitment to the future. There is much more to do, and I am committed to doing the best I can for Kingswood and to standing up for our local high street.

As Members of Parliament, we should and must act as effective champions for our local areas, refusing merely to allow the status quo to continue and refusing to stand still and allow our local high streets to fall into disrepair. We, too, have a responsibility to stand up for our communities and high streets and to enable local people to discover how they can make their high streets better places to work, better places to shop and better places to enjoy.

Several hon. Members *rose—*

Mr James Gray (in the Chair): Order. Before I call the next speaker, let me make a couple of general points that might help hon. Members. First, it is helpful if those who intend to speak in Westminster Hall write to Mr Speaker. A number of you have done so, but others have not.

Secondly, I mean no disrespect to my old colleague, the hon. Member for Banbury (Tony Baldry), for whom I was a special adviser, but normally the order of dress in this Chamber is the same as in the main Chamber. It being Christmas, however, a degree of latitude is probably perfectly in order.

Tony Baldry (Banbury) (Con): It being Christmas, you might be more generous, Mr Gray.

Mr James Gray (in the Chair): It is a very Christmassy outfit, if I may say so.

9.52 am

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I shall make an unashamedly parochial speech, but before I do, let me congratulate the hon. Member for Kingswood (Chris Skidmore) on securing the debate and on the way in which he introduced it.

I agree with the hon. Gentleman that high streets are usually dominated by small businesses. Often these are innovative businesses, which, as he rightly said, work extremely hard. On occasion, they are run by one or two people with a great commitment to the service they offer local people. I also agree about the importance of the campaign that *The Sun* has been running.

The hon. Gentleman made a series of interesting points about the Localism Bill and the benefits that it will, in his view, offer down the line. I will be interested to hear what the shadow Minister, my hon. Friend the Member for Birmingham, Erdington (Jack Dromey), thinks about that Bill.

I want to make two parochial points and one point about London. My first parochial point is about north Harrow, which is in my constituency. I have lived there for most of my life, and I should perhaps invite hon. Members to follow the example of the Secretary of State for Communities and Local Government by visiting north Harrow, which he did during the general election campaign—he was taking time out to support my campaign, or, at least, I think that was what was going on. On his visit, he would have had the chance, as will other hon. Members if they take time out to come to north Harrow to support my next election campaign, to see some great restaurants. Britain's best fish and chip shop is probably in north Harrow, but there are also a series of superb cafés, delis and Indian restaurants. Other businesses include great newsagents and a fantastic shoe repairers.

I want to raise a concern about north Harrow, however, which came ninth out of nine in Harrow council's annual look at the viability of district centres in our borough. Indeed, as most residents of north Harrow will recognise, it has had a series of problems attracting new businesses since the closure of the Safeway supermarket in 2002. Concerns about north Harrow's viability as a district centre have been thrown into stark relief in recent days with the closure of north Harrow's last major bank—Lloyds—on Friday. Lloyds management cited the decline in footfall in north Harrow as the reason for shutting the branch, which is the only one that they have shut in recent months in the whole of London.

The council and I, as the Member of Parliament, have been in touch with Lloyds bank and we have pressed it, albeit unsuccessfully, to reconsider its decision. However, we also asked it to do a number of other things. First, we have asked it to work with the local council to think about what it can put back into north Harrow to support businesses in the area. Secondly, we have asked the bank to look at how it can work with the post office in north Harrow to extend the range of services that Lloyds customers use. Many constituents are not aware that the post office provides a service for Lloyds bank customers. The concern is that many people who previously came to north Harrow to use the bank will not recognise that they can use the post office for their banking needs and will instead go to other areas, including, worst of all, neighbouring areas such as Hillingdon, Brent or Hertfordshire.

The last issue that I want to raise in regard to north Harrow relates to the space occupied by the former Safeway store, which has been closed since 2002. New flats have been built above the store to house key workers, but the space that Safeway occupied still has no businesses in it, which appears to be the result of a problem over the ownership of the lease. The local council is looking at the issue, but I hope that the owners of the lease and, indeed, the Genesis housing

association, which built the flats above the space, will work much harder with the local council in the early part of 2011 to resolve the question of the lease once and for all. That will enable this crucial space to be promoted again so that we can have businesses in it.

The hon. Member for Kingswood made a crucial, albeit brief, point about the need to recognise early signs of concern about the viability of district centres, which brings me to my second parochial point. Harrow town centre remains extremely viable with a series of what would be classified as major high street areas running through it. However, it faces huge competition from the Harlequin centre in Watford, Brent Cross and the attractions of central London. Over the past 10 to 15 years, there has been no major development in Harrow town centre and no major consideration of what we need to do to maintain the viability and attractiveness of the borough's premier high street area. The council is beginning to look at the issue, and I hope that all the businesses with an interest in Harrow will work extremely closely with the local council to make sure that there is no slippage in Harrow town centre's competitiveness.

The only point at which the hon. Gentleman almost lost my interest and enthusiasm for what he was saying was when he described the Mayor of London as a great visionary, but as it is Christmas, I will skip over that. To be fair, however, there is one thing for which I should give the Mayor credit: introducing the bike hire scheme in central London. I worry, however, that he has not taken the same interest thus far in outer-London boroughs, and I hope that we will see early signs from him and from his successor in 18 months' time of a new focus on outer-London areas such as Harrow.

I hope that there will be an extension of the bike hire scheme. It is interesting that the same country that provided the inspiration for the Mayor's bike hire scheme now advocates considering a car hire scheme. If the occupants of the Mayor of London's position in the coming years are interested in such a scheme—and they should certainly think about it—I hope they may be willing to explore whether they could work with Harrow council on it, or, indeed, on other schemes to promote economic regeneration. Outer London deserves more attention than it has traditionally had from those in City Hall. I hope that the Mayor of London will prioritise support for Harrow generally and, given the particular concern that I have raised about its viability, north Harrow.

10 am

Tony Baldry (Banbury) (Con): A debate of this kind inevitably has something of a Cook's tour quality, so I want to take hon. Members from Harrow down either the A40 or the M40, or the Chiltern railway line, to Bicester and Banbury. The two main towns in my constituency are market towns, and their only real raison d'être has been as market towns.

Retail continues to change every decade. The Banbury in photographs taken in the 1930s looks very different from the Banbury of the 1940s, '50s, '60s or '70s. There is continuous evolution because retail is all about millions of people making decisions—thousands of decisions each day—about how they spend their money, and that evolution will continue.

In recent years, two substantive changes have affected town centres and high streets. One is shopping near the edge of town, or out of town. Banbury has excellent supermarkets: Tesco, Sainsbury's and Morrisons. However, they are on the outskirts—on the edge of the town. People want to use them and they are much used. We must accept that part of the retail revolution as a given.

The other revolutionary change is the use of the internet. I understand that 10% of Christmas presents will be bought on the internet this year. I recently visited the Christmas sorting office of Banbury post office, as I have done practically every year for the past 30. I suspect that every other right hon. and hon. Member has also visited their sorting office. In previous years, I saw thousands and thousands of Christmas cards. Last year I started to notice some parcels, but this year the place is awash with parcels from Amazon and elsewhere. I shall take this opportunity to pay a compliment to all the postmen and women who have been getting out in grim conditions. In the villages of north Oxfordshire yesterday, the one constant sight was the Post Office van, which was getting through to deliver the huge number of parcels bought on the internet.

Nowadays the internet makes Christmas shopping easy. Both my children's Christmas presents were bought on the internet. The situation with my wife is much simpler; she just tells me what she has bought for me to give her. I am not sure whether she bought it on the internet, but it is a very simple system. However, the internet revolution will not go away. People will buy more and more on the internet.

At any one moment about 12% of the retail properties in Banbury are voids. They change—some come and some go—but over the past three or four years, walking down the high street in Banbury or in the market square, one has seen those voids. I do not see where the speciality shops will come from to fill those voids. We have had—and do have—regeneration in Banbury. We have the fantastic Castle Quay shopping centre. We have just had a scheme, involving the Environment Agency, through which a private sector contribution is enabling Banbury to continue with some flood defences that will make town centre regeneration possible along the Oxford canal. Some really grotty existing light industrial areas will be redeveloped for affordable housing and new businesses. The area will be really exciting, but we will still be left with much empty retail space.

The question I want to put to my hon. Friend the Minister is about a conundrum with which we shall all have to get to grips. Much of the void retail property belongs to commercial developers. It is on their balance sheets as an asset. They do not particularly mind about the situation. They are not getting rent from the property, but they are happy to leave such capital assets where they are. It seems that there is no incentive for them to bring it back into useful existence. I have come to a conclusion about what we shall need to do in a town such as Banbury with much of that former retail space. That space is not being used, and the space above it, where shopkeepers would once have lived but which later became commercial space, is pretty grotty commercial space that is difficult to let, as much better commercial office space is being built on business parks around the town. Realistically, it will be difficult to let that space. I think that we need to bring it back into housing use as flats above shops to house young people, students, and key workers such as nurses.

[Tony Baldry]

To some extent that is already happening in Banbury, but I suspect that we shall need it to happen a lot more. What can we do to accelerate the process? What can be done to encourage commercial landlords to see that they will get better yields by seeking planning permission to convert some of the empty retail space into accommodation than they will by leaving it as retail voids? I am thinking of setting up a prize for the grottiest, longest-term void, and at present the award would undoubtedly go to a site that was the headquarters of Crest Hotels in Banbury, which is an abomination unto the Lord. That complete mess, which is within a cricket ball's throw of the town hall, is now just used by roosting pigeons. There seems to be very little incentive for the owners or freeholders of the property to bring it back into use and turn it into offices or housing.

We need to provide some incentives—either carrots or sticks—to owners of empty retail space to get them to consider what uses they can put the buildings to, other than leaving them as retail voids. Of course, that means that the local planning authority must be supportive and encouraging about people returning to live in town centres and high streets. However, given the unmitigated pressure on new housing—particularly for young people, students, single people and key workers—I should have thought that that approach would produce an ideal relationship involving trying to find existing buildings to convert to flats and housing for such people.

The uncomfortable truth is that aspects of the retail revolution are such that we are never going to see our town centres or high streets revert to what they were in the 1950s or 1940s. The retail revolution has moved on. We must find other ways to secure the vitality and viability of town centres with the shops, retail experiences, banks and building societies that already exist. We must do all that we can, of course, to ensure that people want to come to the town centre and use it as a focus for the community. However, we must also accept that we shall never need all our town centres' historical retail space for retail purposes. Some of it could better be converted to housing. However, the mechanisms for bringing that about—how to get the housing and how to get more people living in town centres—are a conundrum, and I should welcome the Minister's thoughts.

10.9 am

John Hemming (Birmingham, Yardley) (LD): I ask for your guidance, Mr Gray. Are we aiming for 10.30 am for the Front Benchers?

Mr James Gray (in the Chair): I think 10.40 am, probably.

John Hemming: So there are 10 minutes each.

Mr James Gray (in the Chair): I want as many hon. Members as possible to contribute.

John Hemming: We have four wanting to speak, so that would be about eight minutes.

Mr James Gray (in the Chair): I am most grateful to the hon. Gentleman, but I think I can work that out for myself. Perhaps he would like to get on with his speech.

John Hemming: I have to work it out for myself to decide when to stop speaking. Thank you, Mr Gray. I congratulate the hon. Member for Kingswood (Chris Skidmore) on securing the debate and refer hon. Members to a declaration of interest as part-owner of MarketNet, an e-commerce operation running since 1994.

I would like to follow on from the hon. Member for Banbury (Tony Baldry), because he made key points. A lot of this is driven by financial realities. Supermarkets have two advantages: no wholesaling, so they keep the whole of the margin, and an oligopsony—that is, the buying power allows them to drive down the prices at which they buy goods, which therefore allows them to compete financially, more so with shops that have to take the wholesale-retail route.

We have been trying for 11 years in Yardley to redevelop the Tivoli centre, where there used to be a shopping centre built on the site of an old cinema. Although the Labour councillors decided to vote to stop it recently, after 11 years we are finally getting a redevelopment of the Swan centre, or Tivoli centre, which should see another 600 jobs for the constituency. That plan is underpinned by Tesco, which I have supported, because I want to see the redevelopment of the site. The finances are such that we cannot redevelop that site without money coming in from somewhere. The community right to buy—a very good project—has to be underpinned by finances. The difficulty for high streets is how to deal with the fact that there has been a movement away from retail on the high street. That raises a number of issues, one of which is the dereliction. Look at the issue from the commercial landlords' perspective: if they accept a lower rent, one difficulty is that they then have to devalue the property in their accounts. They do not want to do that because it could derail them to a much greater extent. We need to find an incentive, as we have for empty homes, for empty commercial properties so as to encourage people to recognise the realities of life and develop that.

There is a distinction between high streets and shopping centres such as Bluewater, which was referred to earlier. High streets are public spaces. We can have marches up and down them; we have loads of parades in Birmingham, all over the place. We do not have those in shopping centres; we have little things, because shopping centres are private spaces. That issue needs to be looked at, with the owners of shopping centres, as it devalues the community aspects. The great advantage of Acocks Green, like other places in Birmingham, is that it was based on a market right in the centre, in Digbeth, but is in fact an urban area developed out of a number of villages. All the villages have centres and, oddly enough, places such as the Yew Tree are bypasses of the village of Old Yardley. Houses have grown up where fields used to be between the villages. They are village centres that were owned by the communities. The shopping centres that have developed do not have that same community ownership, which is rather sad. That is something that local government and national Government should work on—trying to develop more community involvement and a general feeling that it is all part of our wider community. I accept that they are private centres—there is no question about that—but it is sad to lose that communal element.

Farmers' markets, for instance, can really add to an area. There are many places in Birmingham with farmers' markets, which are good to have. Their element of

disorder—the word we use at the moment is "chaos"—means that they are not structured, but are all different. We are never quite sure what we are going to find; it is not all Café Rouge and Pizza Hut. There is a children's song about Kentucky Fried Chicken and Pizza Hut, which those who have young children will know. Though that is a national song, it is nice to have the variety created by different organisations. It is good if someone sets up a retail outlet, creates new ideas and develops them.

However, we do have to come down to the finances—that is where the Government need to study to what extent there is a level playing field. As the footfall moves into the shopping centres, as it has done, the value is clearly no longer in the land values in high streets. The effect of the commercial financing is such that people do not want to accept a lower rent because they would have to devalue the asset. That leads to the dereliction that is damaging to the community in the wider sense. To that extent, I support the hon. Member for Banbury, in that we need to look at incentives to ensure that we do not have dereliction. I think I have probably said enough.

10.14 am

Mr Mark Field (Cities of London and Westminster) (Con): I congratulate my hon. Friend the Member for Kingswood (Chris Skidmore) on his excellent speech. I now know considerably more about Kingswood than I did about 45 minutes ago. He clearly has a great passion for the area he represents and has done a tremendous job. He made an interesting speech, which I hope other hon. Members will develop. I am sorry that the hon. Member for Harrow West (Mr Thomas) has just left his seat. I know he did not wish to say too much about Boris Johnson, given that it is Christmas. I am not sure whether he meant that Boris Johnson was either the Messiah or a very wise man. No doubt he will have the opportunity to tell us at some later stage.

My hon. Friend the Member for Banbury (Tony Baldry) made an interesting speech. He developed an issue to which I had not given much thought—dealing with long-term voids in high streets to boost the private rented sector. My experience as an inner-city MP is that nothing is more important than a vibrant and stable residential population to ensure a boost for such areas.

Many Members may wonder on what basis I am speaking. Are there any high streets in Cities of London and Westminster? There are many of the most traditional high streets, such as Cheapside, in the City of London, where one of the largest shopping developments in central London in recent years has opened. Oxford street was once Westminster's high street, though it perhaps has more profound resonance now. Other residential shopping areas can be found in Marylebone high street and Elizabeth street. I accept that those two are in the relatively wealthy areas of Marylebone and Belgravia, but their vibrancy and success are due fundamentally to having a relatively stable, single landowner, which makes a big difference to the choice of shops available. To an extent, the Howard de Walden and the Grosvenor estates in each of those cases—the same applies to the Portman estate, which does a tremendous job around Edgware road—have realised the importance of variety in a local shopping centre. Although I do not know all the statistics, there is little doubt that there has been an element of having loss leaders, allowing particular shops to pay considerably lower rates or to get a rate rebate.

I accept that that is not necessarily a panacea that can apply throughout the country. I am lucky in that there are great pockets of wealth in my constituency. However, there is no doubt in my mind that the drab Marylebone high street that I first walked down only 25 years ago, when I worked in London between school and university, has been transformed. It has become much respected, with people coming from beyond London to shop there, even though it is less than half a mile from Oxford street. Having traditional, independent restaurants, bookstores and small specialist food stores such as bakeries and cheese shops, makes a tremendous difference.

Damian Collins: Does my hon. Friend agree that one interesting idea in the Government's Localism Bill and White Paper on local growth is whether councils around the country might take on the role of some of the big landlord estates in London? They could try to stimulate economic growth in their areas by supporting certain types of business, which might in turn lead to other business growth.

Mr Field: I agree. That would be a useful way forward. One difficulty is often the disparate freehold ownership on a lot of high streets. I certainly do not think that there is a need for a centralised plan, but there needs to be a vision that goes beyond simply ensuring that tenants are paying rent this year and next, and the one after. There needs to be a vision for 15 or 20 years. We always need to take into account what my hon. Friend the Member for Banbury rightly said, which is that it is hard to put a finger on how high streets will look in 20 years' time. They have certainly changed every decade since the 1940s, due to different shopping habits.

I am sorry that the two Members representing suburban London seats who were here earlier have gone. There are specific problems in suburban London, which I would not wish to put to one side. I have a great passion for London as a whole and recognise that there are certain advantages in representing a very central London seat. In Orpington, where my wife's family came from, and in Harrow, there are some fundamental problems, partly as a result of out-of-town shopping centres. A slight irony of the recent snowfall is that many people have not been able to get out in their cars to do that sort of shop, and have therefore been forced back to see the offering in their own high street.

There are no easy solutions to all this. One possibility is to have a single landowner who can perhaps make an area special, look at flagship stores and, where possible, consider loss leaders.

I want to touch on business improvement districts. In fairness, they are greatly to the credit of the previous Labour Government, who introduced elements of the legislation, and they have been a great success. In my own constituency, the New West End Company, which operates around Regent street, Bond street and Oxford street, has been a great success. We have seen various other business improvement districts around the Paddington Basin area, and demand is increasing. However, the money that has been spent by business improvement

[Mr Mark Field]

districts tends to be focused on aesthetics and on increasing the number of policemen to ensure that shoppers feel safer and that shops are less subject to crime.

With local authorities facing difficult financial settlements not just for this year and next, but probably for the rest of this decade, I worry that this should not be seen just as a matter of substitution. I encourage town centres to consider going down the business improvement district route, although they will still see money being taken away by way of what should be the normal local authority responsibility. We need to bear that in mind, as we do supplementary business rates.

I want to mention supermarkets, which have been touched on by other hon. Members. It is easy to criticise supermarkets. I have stood up for them previously in this Chamber, and I think that they do a tremendous job in many ways. They provide phenomenal choice that was unseen a decade or two ago. None the less, I accept what the hon. Member for Birmingham, Yardley (John Hemming) said—I think he referred to an oligarchy of sorts being adopted, although I cannot remember how he phrased it. I also worry that the grocery ombudsman route may not be an entirely sensible way forward.

If we are to have a vibrant shopping centre, a flagship supermarket is almost always needed. Waitrose is in Marylebone high street in my constituency; we also see various Sainsbury's and Tesco stores, particularly some of the smaller ones. However, I would like to see newsagents playing a part in the high street, for example, and I would like supermarkets to show some responsibility by, for instance, not selling newspapers. That would ensure that newsagents within 50 or 100 yards of the supermarket had a chance to thrive. If there was a long-standing fishmonger nearby, let us hope that the local Sainsbury's or Tesco would not sell fish. In other words, we need to ensure that people do not have to do all their shopping in a particular Sainsbury's or Tesco—an all-singing, all-dancing supermarket—at the expense of the smaller stores. That would present the supermarkets, which do a tremendous job, with an opportunity to show a certain amount of self-restraint, rather than having to be bossed around by an all-powerful ombudsman. Thank you, Mr Gray, for allowing me to speak. I look forward to other contributions to the debate.

10.23 am

Nigel Mills (Amber Valley) (Con): I am grateful to have the pleasure of speaking in the debate, Mr Gray, and I congratulate my hon. Friend the Member for Kingswood (Chris Skidmore) on securing it. This is an important debate for a constituency such as mine, which has a collection of village high streets and three market towns. I think that I can still refer to them as market towns, as all three have markets, but I suspect that by the end of my term here, I will have to call them supermarket towns. One new supermarket opened in my first six months as an MP, and the threat of another couple in the other two towns is further damaging the high streets.

Perhaps one of the great pleasures of being an MP is supporting "shop local" campaigns. When my girlfriend says, with apologies to the hon. Member for Derby North (Chris Williamson), "Can we go to the Westfield centre in Derby?" or, "How about Meadowhell?"—sorry, I think I am meant to say "Meadowhall"—I can say, "No, we need to shop local." I had great pleasure taking her out to Ripley on Sunday to spend far too much money on jewellery. It seems that we have legalised product placement, and with the number of lists of shops that have been cited in this debate, perhaps some of us are having a try at that here.

To return to my point, I have three market towns in my constituency: Alfreton, Heanor and Ripley. I am giving nothing away when I say that they all have challenges to face. As other hon. Members have mentioned, we have empty shops, pubs and business premises, and bits of land that have been set aside for bypasses that will never happen. There is no magic easy fix for such problems. None the less, those towns now have glossy regeneration plans—the previous Government insisted upon them—with 100-page booklets full of glossy pictures. I am a little suspicious, because the plans are very similar for each town, with a slightly different road map to reflect the historic roads. Fundamentally, we are several tens of millions of pounds short of achieving those plans.

Perhaps we need to think a little more strategically about what a town should look like and how it should be changed and sorted out. There is a risk that everyone looks at a town and tries to do the same thing. We tend to think, "How do we get the shops back to where they were 30 years ago? How do we get independent shops to come back here when they have practically all left, and how do we reopen that pub?" We may need to go beyond that, as my hon. Friend the Member for Banbury (Tony Baldry) mentioned, and accept that things have changed and that we do want to shop at supermarkets. I suspect that we are all guilty of getting back at 9 o'clock at night and of doing our shopping when only the supermarket is open. It is much easier to do that than to go down the high street during opening hours. People exercise their right to choose, so we need to find a plan for our towns that lives in the real world and applies to the future world, and that does not try to take us back 30 or 40 years to what used to work then. There are things that national and local government can do to encourage the change. I am pleased with some of the things that the new Government are doing. We must ensure that planning control is actually about planning rather than development. We must look at what we want to have in each town, where we want it and how we get it.

When I look around at least one of my towns, all I see are rows of betting shops, takeaways and charity shops. They are not great for the vibrancy of a town. One of the ways in which we can reduce the number of betting shops in a row is to allow them to have more than four slot machines. The problem is we may then have two empty betting shops rather than two full units. Councils should have the planning power to say, "No, we have enough betting shops and takeaways; we want something different."

Esther McVey (Wirral West) (Con): I congratulate my hon. Friend the Member for Kingswood (Chris Skidmore) on securing this debate. It is wonderful to see so many Members here despite the imminent recess. My hon. Friend the Member for Amber Valley (Nigel Mills) hit on a key point when he talked about practicalities, the reality and individual choice. In my constituency, this is

such a hot topic that should I call such a debate, some 200 people would descend to try to talk about what they want to do about their closed shops and multiple shops of the same style. This issue is definitely about localism, and it cannot be about prescriptive ideas. We must ensure—I hope that the Minister will do this—that we empower local councils and individuals to do what is right for their area.

Nigel Mills: I totally agree with my hon. Friend. One thing that councils should have the power to do is to say, "Right, we want this town to be a focus for restaurants or for small shops." They should be able to choose whatever is right for that town and look at how they can encourage that. We have heard talk of granting business rate discounts, and that is certainly something that we can do. We can grant a holiday for the first year, or half rate for a few years, to give businesses a chance to establish themselves. We can try to streamline the planning system so that we can say, "If you want to convert this empty shop or that void into this kind of outlet, we will guarantee that you can get that planning permission." That would speed up the process and take out some of the costs. Let us look at practical measures.

My hon. Friend the Member for Cities of London and Westminster (Mr Field) talked about trying to rig together freehold ownership. I know that towns have a problem with the numerous different owners in the high street—they might have banks owning closed branches, a few pub landlords owning pubs that are boarded up, individuals who own shops but cannot be found, and a couple of obscure trusts. We must try to find a way in which we can bring that together. Perhaps we could consider innovative land swaps. Councils might have valuable land outside the town that could be attractive for out-of-town parking, while someone's land in the centre could be used to regenerate the town. We need to get a critical mass of ideas together so that we can do something rather than thinking, "I can fix two of these 27 outlets, but I still have a problem with the other 25."

I shall now address car parking, which is probably a poisoned chalice. Anyone who talks to small shopkeepers or owners of small businesses will know that they say that they cannot compete with supermarkets because supermarkets can give free parking to all their shoppers, whereas the customers of small shops have to park half a mile away down a hill, and pay various rates for that privilege. They say that they just cannot compete with supermarket parking for either convenience or cost. The situation is difficult, because councils want the revenue from car parking, and it must be right that car parks be maintained—we want safe, clean, well-lit car parks, and the cost of such maintenance must be met from somewhere. However, one of the things that kills town centres is that people just do not want to pay the £1 or £2 they are charged to park in them. When people are spending £5 on petrol to get to a town centre, it is hard to believe that the 50p for parking will put them off, but if anyone looks at the cars along a free-parking residential street, it clearly does.

We need to take a strategic view. If we are going to save our town centres, we need to think, "What can we bring here that will be viable and self-perpetuating? What can we do to help people to come here, even if we cannot chuck millions of pounds at it? What do we need to do to get the infrastructure, parking and public transport access right, and the pavements well lit and attractive?" If we try to bring those things together and create the right conditions, we can make this plan work. I am afraid that the time for trying to find a one-size-fits-all approach and an attitude of saying, "Let's go back to the 1960s high street"—great as that might be—has now passed.

10.31 am

Andrew Stephenson (Pendle) (Con): I congratulate my hon. Friend the Member for Kingswood (Chris Skidmore) on securing this important debate. I agree with much that has been said about the regeneration of local high streets, but I would like to make a couple of parochial points about Pendle.

We in Pendle face the same issues as many town centres throughout the country due to people's changing shopping patterns and competition from out-of-town retailers. However, different parts of the borough face different challenges. The pedestrianisation of the main high street in Nelson, which is the largest town that I represent, was a serious and expensive mistake which, if anything, accelerated the loss of local shops. I am pleased to say that a £2.3 million scheme to reopen Nelson's main high street, with the hope of helping to revitalise the town centre, is nearing completion. That scheme, which began in June, will help to bring traffic back through the town centre and improve the street scene. Crucially—this is what my hon. Friend the Member for Amber Valley (Nigel Mills) was just talking about—it will allow shoppers to park much closer to local stores so that those stores can compete more effectively with supermarkets and out-of-town stores that have free car parking immediately outside their doors.

The project is an essential step in helping us to breathe new life into Nelson town centre. Since the general election, I have held monthly meetings with the leader of Pendle borough council, Mike Blomeley, and its chief executive, Stephen Barnes, to talk about some of the challenges that we face, as well as specifically about how we can work together proactively to regenerate our local high street, which is something that concerns us all.

Several hon. Members have touched on the important fact that we still have some excellent local shops in our areas. We need to bring shoppers back to areas such as Nelson. However, far too many of my constituents who live outside Nelson town centre say to me, "There are no decent shops in Nelson." If they visited the town centre, they would realise that many of the independent and family-run butchers, bakers, jewellers and gift shops are still there. We have far too many boarded-up shops, but there are still some real gems hidden on the high street. That is why my message about "shop local" campaigns, with which many Members in the Chamber today are involved, has always been, in regard to local shops, that we really need to encourage people to use them, or lose them. I was therefore delighted to be in Nelson last Friday to open the new post office. Given the number of post office closures in recent years, it seemed odd for a Member of Parliament to be opening a new one. However, I congratulate Mr Vali, who has invested in opening a new post office store in the old Woolworth building in the town centre. That new post office is one aspect of the ongoing regeneration of Nelson town centre.

[Andrew Stephenson]

In Colne, which is the town where I live, the situation is very different. We have a number of empty shops, but by and large the high street is doing very well. We have a number of shops, pubs and restaurants, and the town centre tends to be quite busy. However, one of the biggest problems facing Colne is something that was mentioned by my hon. Friend the Member for Kingswood: we have a number of significant buildings that have fallen into disuse and disrepair.

One of the biggest of those buildings in Colne is Shackleton Hall, a landmark building on the high street. Despite being grade II listed, it became an eyesore after years of neglect and was put on English Heritage's at-risk register. I am therefore delighted to be able to tell hon. Members that renovation of that building began in July and is now well under way. There is a £2 million project to invest in the building. The main building is being converted into modern office space with a retail arcade below, while preserving the Victorian exterior. Once it is renovated, the building will become the new headquarters for Housing Pendle, which is currently located just a few doors away in Colne town hall, as well as providing additional retail space on the high street. After years of neglect, I am delighted to see this historic building transformed and brought back into use at long last. It will be a great boost to Colne town centre, both helping to brighten up the town and providing more jobs.

I cite the two examples in Nelson and Colne today because although, as a lot of Members have already mentioned, it is very important to remember the contribution that can be made by local chambers of commerce and business associations, and by automatic rate relief, it is also important to remember that intervention is needed in some areas to address the most challenging issues. I am therefore delighted by the Government's launch of the regional growth fund, which I believe will help to fund the regeneration of many high streets across the north of England. I am also pleased about many of the provisions in the Localism Bill, which will make regeneration easier, along with the provisions in the White Paper on local growth. Given the time, I will end my speech, and I look forward to hearing what the Minister has to say.

10.36 am

Jack Dromey (Birmingham, Erdington) (Lab): It is a privilege to serve under your chairmanship, Mr Gray.

I congratulate the hon. Member for Kingswood (Chris Skidmore) on securing the debate. One of the great strengths of the institution of the Westminster Hall debate is that it brings to the fore issues of great concern to the citizens we represent. The hon. Gentleman and others, such as my hon. Friend the Member for Harrow West (Mr Thomas), have spoken with passion about why high streets matter.

The evidence is clear. High streets have a special place in the heart and the habits of the people of Britain. At its best, the British high street is not only where people go to shop but where they go to find services, access leisure facilities and meet friends in bars, pubs and restaurants. It is, therefore, a very important place in the make-up of our local communities. It deserves to be protected and promoted.

High streets vary in their nature from a row of shops on the one hand to complex city centres on the other, and it is not true that high streets are universally in decline. On the contrary, some are succeeding, in particular—but not exclusively—those in affluent areas. Evidence from the Town and Country Planning Association, Planning Aid and the Federation of Small Businesses shows that the high streets that succeed are accessible, cared for, invested in, clean and safe, and have an attractive environment.

In a typically thoughtful contribution, the hon. Member for Cities of London and Westminster (Mr Field) was right to point to the success of Marylebone high street. I, too, remember Marylebone high street 25 years ago; now it is the thriving heart of Marylebone. Evidence of the ability to turn around decline can be seen in some of the great city centres, ranging from Birmingham—after the bullring was bulldozed, we saw in its place a vibrant city centre high street—to Manchester, which has seen the remarkable repopulation and regeneration of its city centre.

Sadly, other high streets are slowly declining, often—but not exclusively—in poorer areas. That decline is characterised by empty shops, a poor environment, lack of investment, the growth of pound shops and charity shops, and the decreasing use of the high street as the quality of the offer is eroded, allied to the flight of the multiples—the household name shops—to shopping malls and out-of-town shopping centres. A vicious circle of decline is destroying communities' social fabric and condemning too many citizens to shopping and socialising in inferior places.

Evidence from the Town and Country Planning Association, Planning Aid and the Federation of Small Businesses shows clearly what is needed to turn the tide. Public intervention is key, as are public investment and the public sector's use of its powers, working in partnership with the private sector, to create the climate for private sector investment to regenerate the high street.

The hon. Member for Cities of London and Westminster rightly pointed to the success of many business improvement districts. Several things are key to such regeneration programmes, such as road access, good public transport, parking facilities, as the hon. Member for Amber Valley (Nigel Mills) said, and a pleasant pedestrianised environment. High streets should also be well cleaned, as the evidence shows that citizens desert dirty high streets, and well policed, because citizens do not shop on unsafe high streets.

High streets should have toilets, as evidence from Age Concern and others is that senior citizens do not go to areas where they cannot spend a penny. High streets should have changing facilities for babies, as the evidence shows that young parents do not take their children to places without such facilities. Disabled access is also crucial. A remarkable young woman in my constituency with muscular dystrophy is waging an admirable campaign for household name Next to install a disabled lift so that young women such as she can shop there like anyone else.

High streets should also include public service front offices. The hon. Member for Kingswood was right—dare I say it? MPs should be based in their high street. I have moved to just off the high street, because I think it is right that MPs should be in the heart of our communities. It is impossible to achieve all those objectives and

regenerate the high street without a combination of public intervention and public investment and the use of planning powers, including compulsory purchase.

I know from my experience in Birmingham and Erdington that there is a contrast. Erdington high street is in decline; I have been told hundreds of times that it is not what it once was. On the other hand, shopping malls such as the Fort and the Star City leisure complex have grown. The hon. Member for Banbury (Tony Baldry) was right to mention that trend. Yet some high streets have succeeded. The small high street in Castle Vale in Erdington is at the heart of a remarkable regeneration project in that estate. As the representative of Erdington, I place a high priority, as do all Members here today, on the regeneration of our local high streets. I welcome the fact that we have turned the tide on Erdington high street. Sainsbury's has agreed to move back into the high street, and I hope that Mothercare will follow. It is right that we have public service facilities in our high streets, which is why I welcome the opening of the NHS health and well-being centre on Erdington high street.

The debate has focused on disturbing long-term trends that give rise to legitimate concerns on the part of the people we represent. However, I stress that the evidence is clear: the decline of that great British institution, the high street, is not inevitable. All over the country, decline is being arrested and high streets are now succeeding. If the public good is to be realised and we are to have high streets of which our communities can be proud, and if the private market is to flourish through investment in high streets, it is crucial that the public sector work in partnership with the private sector to the benefit of the communities that we represent.

10.44 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Kingswood (Chris Skidmore), who gave a clear picture of both the good and the not-so-good aspects of the situation that he and Kingswood face. I thank other Members and hon. Friends, who have contributed thoughtfully to the debate, with considered contributions and positive ideas about how things can be put right while accepting, as the hon. Member for Birmingham, Erdington (Jack Dromey) just said, that the country has many thriving local centres and high streets. We must not talk them down completely.

Town centres and local high streets are certainly extremely important. They are seen as being at the heart of the community. My hon. Friend the Member for Birmingham, Yardley (John Hemming) made the point that they are civic as well as retail spaces: places where people can meet and greet, set up charity stalls or have their petitions signed. That is clearly distinct from the rather regulated world of shopping malls and retail centres. It is vital that we create the right environment for local businesses to thrive and support economic growth and regeneration in our high streets.

The Government are taking a new approach to local growth, recognising that it must be driven locally. The hon. Member for Kingswood made the point clearly that we should seek local solutions to local problems. That is exactly the approach that this Government are taking through localism—putting residents, local businesses and civic leaders in the driving seat and providing them with new rights, powers, tools and incentives to drive local regeneration and growth. It is important to create a fairer and more balanced sustainable economy. Without it, UK businesses cannot succeed, including small retail businesses.

Mr Thomas: Will the Minister join me in urging Lloyds bank, which has had huge taxpayer support, to recognise even as it withdraws from north Harrow in my constituency that it has a responsibility to the people there, who have invested in their bank over years, to help in the regeneration of north Harrow? Lloyds has a continuing responsibility to work with the local council, perhaps by providing financial resources, to support the regeneration initiatives planned for that part of my constituency.

Andrew Stunell: I congratulate the hon. Gentleman on his speech earlier, which he described as unashamedly parochial and which set out the issues that he and the community of north Harrow face. At several points during the debate, I felt a strong temptation to give my own constituency-based speech about local centres and high streets, but I guess that I am not permitted to do so. However, I will tell him that I too have been trying to ensure that banks withdrawing from high streets and local centres in my constituency accept their corporate responsibility. I hope he understands that I stand with him on that issue. Large chains, whether banks or retailers, should show some responsibility by investing in local communities. In this case, they are disinvesting in local communities. Their role is important and should not be overlooked.

I will concentrate specifically on the Government's role and that of public policy. Hopefully, we can discuss what large private sector organisations might best do in another forum. As the hon. Member for Kingswood said, we launched the "Healthy High Street?" guide in November, and we are working with the Development Trusts Association to promote the temporary use of empty shops for the benefit of the community.

I want to pick up on one of the points made by the hon. Member for Banbury (Tony Baldry) in his contribution, which was characteristically diagonal to the general line of the debate, but helpful none the less. He noted that the retail environment changes constantly, decade by decade, and that it is not a question of returning to some golden age, but of accepting the existing retail environment and working with it. There is no doubt that one of the problems we face is the fact that the capital asset value of a property underpins the financing that the developer or ultimate owner relies on, and that value is calculated brutally as a multiple of the rental available from the property, which means that if the owners give a discount, often their capital value is written down. In these difficult times, and even in less difficult times, that means that they can find their financers on their backs seeking to renegotiate loans. That is why we have worked with the Development Trusts Association on "meanwhile leases" for the temporary occupation of shops, which can prevent that counter-productive write-down and at the same time give some life and vibrancy to high streets.

[Andrew Stunell]

The hon. Member for Banbury also suggested that there was a role for a switch to housing. I want to make it clear that a key aim of the Localism Bill is to change our planning system so that such decisions will be in the hands of neighbourhoods, local communities and local councils, which can draw up district, neighbourhood or—as in the case of Banbury, which I guess has a town council—town council plans, based on their communities' needs and requirements, and signed off through a local referendum. That will give local communities much better control and a much better chance to find the kinds of solution that they believe are needed. If that includes a switch to housing, or particular planning controls, that is for them to decide.

I must enter a note of caution about planning controls. When I started my career in local government some 30 years ago, a key concern was to prevent banks and building societies from dominating the high street. Three decades later, we are fighting to retain them, which is a measure of the change there has been. We are now fighting to stop take-away food stores opening, but I expect that in a few years' time we will be fighting to save them. That is one of the paradoxes of a rapidly changing business environment.

The Government are not only giving new rights and powers to local councils and communities; they are also looking at the future of the town centres first document—planning policy statement 4. We shall be announcing shortly how we intend to take that forward as part of the national planning policy framework.

The key is to shift powers right down to the level where they matter. Each place is unique and has the potential to progress, and localities themselves are best placed to understand both the barriers and drivers to local growth. I will keep my fingers out of the machinery and not talk about parking policy, but that is a classic case where the solution in one town or shopping centre might be quite different from the solution needed in another local or district centre just a couple of miles away. The idea that there should be a national prescription for the solution—even a council-wide prescription—is surely mistaken.

Members have drawn attention to the provisions of the Localism Bill, to the coalition Government's announcement on small business rate relief and to the new homes bonus. All those moves have wider policy implications, but they can all benefit the local high street. We want to create at national level a framework—an environment—where local decision making can flourish and there are real, workable incentives for investment, growth and development.

A couple of the points made in the debate should be emphasised. Farmers' markets and street markets were mentioned, but we must not forget traditional real markets, which act as important magnets to bring people into many of our towns and communities. One of my Department's roles is to raise the profile of such markets, which are an important element in the retail mix that can attract consumers and increase the vibrancy of town centres and high streets. I recognise that a well-run and successful market is a valuable local asset. In an interesting development, which is being replicated in many village and town high streets across the country, street traders in Marple, in my constituency, have worked effectively with the council to introduce an intermittent food fair and market. It has brought life and traffic to a shopping centre and started a vibrant culture of participation in that community.

The hon. Member for Harrow West (Mr Thomas) noted that Lloyds bank business could be transacted in post offices, and the hon. Member for Pendle (Andrew Stephenson) said that he had recently opened a post office in his constituency. Those are signs of the importance of post offices as part of the mix of retail business in our high streets. I draw the attention of Members to the steps that the coalition Government have taken to secure the future of our retail sub-post office network, which is an important component of our high streets that should be retained for the future.

Mr Thomas: Will the Minister take this opportunity to encourage Lloyds bank to show even more imagination in its use of post offices by allowing business customers to use them? That would be a huge help to businesses in north Harrow in my constituency.

Andrew Stunell: I can unambiguously say yes to that. It is important that we encourage not only public services to make better use of post offices and make them a focal point in our communities, but also organisations such as Lloyds. If it is disinvesting in an area, it clearly has an obligation to provide suitable facilities not just to its customers but also to the community.

The Government are committed to a strong, sustainable post office network. We have put in £1.34 billion of funding over the spending review period to support the maintenance and modernisation of the network, and will be making a statement on plans for the future of the Post Office shortly.

We have had an interesting and thoughtful debate. I have been unable to respond to all the ideas produced, but I will certainly take them away for careful consideration.

Severe Weather (North Lincolnshire Rail Network)

11 am

Martin Vickers (Cleethorpes) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. Unfortunately, this debate is not about a pleasurable subject, because it is about something that has caused considerable hardship and inconvenience—to put it mildly—to my constituents.

Surprisingly, there are 11 railway stations in my constituency although, sadly, there were no trains running through them for between eight and 11 days earlier this month. There two stations in the constituency of Great Grimsby, and one in Brigg and Goole—or two if one counts the Saturday-only service through Brigg that serves that constituency and the feeder stations for routes into my constituency. My hon. Friend the Member for Brigg and Goole (Andrew Percy) told me that he hoped to attend the debate and raise some specific points with the Minister, and perhaps that will happen.

It might be helpful if I provide a brief outline of those rail services and put into context their importance to my constituency. None of the 11 stations are major junctions. People go to Cleethorpes because, as I have said in previous debates, it is the premier resort on the east coast. They go to Immingham because it is, by volume, the UK's largest port. They visit Barton-upon-Humber to look at the magnificent nature reserves or to marvel at the Humber bridge, just as the Minister did this time last year when she heard what a big issue the level of tolls across the bridge had become.

First TransPennine Express operates an hourly service between Cleethorpes and Manchester airport, connecting with the east coast main line at Doncaster. In most circumstances it is a good service, and the company should be congratulated on succeeding in building up the number of passengers using that route. East Midlands Trains runs services between Newark North Gate station, which is also on the east coast main line, and Grimsby Town, some of which go to Cleethorpes. In addition, a service between Cleethorpes and Barton-upon-Humber links to a connecting bus service that crosses the Humber bridge to Hull. The Barton line is an excellent example of a community coming together to support and promote local services. The group Friends of the Barton Line works in partnership with the local authority and has made great strides.

All those services were affected for a period of up to 11 days. Who is responsible for the network? Network Rail has primary responsibility for the industry's performance, including "seasonal preparedness." I find that phrase rather quaint, but it comes from "The Resilience of England's Transport Systems in Winter", which was published just two months ago. I am sure that the Minister has become rather familiar with that document over the past few weeks.

Network Rail has badly let down my constituents and those in the neighbouring constituencies of Louth and Horncastle, Brigg and Goole, Gainsborough, Great Grimsby and Scunthorpe, all of whom use the lines that run from Newark North Gate and Doncaster to Cleethorpes. It seems, however, that Network Rail does not want to explain what went wrong. On 7 December, after a week in which there had been no trains, I faxed a letter to the acting chief executive of Network Rail and asked how many snow ploughs were available for use in northern Lincolnshire, and where the two routes to which I referred came in his company's priorities. I advised him that I intended to raise the issue in the House and that, along with hon. Members from neighbouring constituencies, I would like to meet him or one of his senior executives to discuss the situation to consider how things could be improved, should the bad weather reoccur. I followed up that fax with a hard copy of my letter last week, but sadly I have received no reply. I am sure that the Minister has had more success obtaining such information, but that does not excuse the chief executive's apparent contempt for his customers in Lincolnshire.

My constituents are asking what efforts Network Rail made to clear the line. They recognise that main lines will take priority and that essential freight routes must be cleared, especially when they are needed to get coal supply to power stations. What exasperates them, however, is that much of the country's coal supply arrives at Immingham docks. If freight can get through, why not passenger trains?

I have some questions for the Minister. How many snow ploughs are available for use in northern Lincolnshire, and when were they utilised on the lines I have mentioned? Were offers from freight operators to use their locomotives with snow ploughs refused by Network Rail? Were coal and freight services maintained in and out of Immingham throughout the most difficult conditions, and if not, on what date did those services resume? Were points permanently set for Immingham at Brocklesby junction and, if so, was that because no point heaters were in use? Are there plans to install such heaters? Without the heaters, manual labour will be required, although presumably that did not happen—quite reasonably, passengers would like to know why.

Although Network Rail is chiefly responsible for the long period without trains, the train operators are not entirely innocent. If freight trains were running, why was First TransPennine Express operating only a shuttle service between Manchester and Sheffield? Northern Rail ran its stopping service between Sheffield and Scunthorpe, so why could First TransPennine Express not run services that far or, better still, to Barnetby? I acknowledge that three of its units were marooned at Cleethorpes, but a restricted service could, and should, have operated.

Why were there no alternative bus services? The M180 and A180 between Doncaster and Grimsby and Cleethorpes were open for all except part of the worst day or two. If the roads are open, are rail operators not duty bound to provide buses as an alternative? We accept that Network Rail must prioritise its efforts, but what are those priorities? Where does Cleethorpes sit in the priority list?

Until now, I have referred to the lines from Newark North Gate and Doncaster, but the worst affected service was that between Cleethorpes and Barton-upon-Humber, which was suspended on 1 December and did not resume until late afternoon on 11 December. Somewhat bizarrely, that service is operated by Northern Rail—I say bizarrely because a glance at the network map shows that that line is completely disconnected from the rest of the Northern Rail network.

Sadly, we have seen personal tragedies and inconveniences, to put it mildly. Perhaps the saddest case, as reported in the *Grimsby Telegraph*, was that of a

[Martin Vickers]

pensioner who was found dead at Thorpe park caravan park in Cleethorpes. He had tried in vain to get home to Doncaster, but the icy weather had halted the trains and he was unable to make it back to his caravan. There is no definite evidence to link one situation with the other, but if that gentleman had made his way to Cleethorpes station and got on the train to Doncaster, clearly he would be alive and well.

I recognise that many individuals employed by the railway companies and Network Rail have worked hard to maintain services. However, my constituents and businesses in the area have been badly hit and let down by Network Rail. We expect better in the future, and I hope the Minister will provide us with reassurance about some of the points I have made. As I mentioned earlier, passengers are completely exasperated by the situation. Some can see trains passing from their homes but, for whatever reason, none of them are passenger trains.

Barnetby station is in the constituency of my hon. Friend the Member for Brigg and Goole. It is a remote station on the edge of the Lincolnshire wolds, and everyone accepts that access is difficult. However, Network Rail has offices there, and it is a local centre for workmen. It cleared a pathway past the railway station to get the workmen to work yet, for no apparent reason, no effort was made to allow passengers along that stretch. Barnetby railway station serves Humberside airport, which was operating reasonably well most of the time, and greater efforts should have been made in respect of that vital connecting route.

I hope that the Minister responds to some of my points. Network Rail has let down my constituents, who deserve better, so I hope that she can provide some reassurance.

11.10 am

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to serve under your chairmanship, Mr Gray, even if this is a rather melancholy subject for debate this morning. I congratulate my hon. Friend the Member for Cleethorpes (Martin Vickers) on securing the debate. He shows his dedication by ensuring that his constituents' concerns are raised right up until the last moment that Parliament is sitting before the Christmas recess. No sloping off home early for my hon. Friend, who made a powerful speech on the severe problems on the railways in northern Lincolnshire, which occurred as a result of the extreme weather conditions at the end of November and during the first days of December, including a distressing incident reported in his local papers.

I will attempt to answer as many of my hon. Friend's questions as possible, but he will appreciate that these are primarily operational matters for Network Rail. I have been able to get some answers out of Network Rail in advance of the debate, but I will have to come back to him on some of the matters that he has raised, which are new and specific, having gone back to Network Rail.

I am concerned that my hon. Friend has not yet had a response from Network Rail to his own representations. I hope that it will remedy that in the near future.

Looking at the general picture, there can be no doubt that the severity of both the current weather episode and the one on which my hon. Friend primarily focused is highly unusual and outside the normal expected pattern for UK winters. The volume of snow and the extreme cold mean that these incidents are out of line with weather patterns that we have come to expect in UK winters over recent years. Much of northern Europe has been affected in a similar way to the UK. Even countries that are more used to dealing with extreme cold have experienced major disruption.

In Switzerland, for example, the same band of weather caused severe problems to the road and rail networks, and the international airport at Geneva was shut for 36 hours. Similar events occurred in parts of Germany and Scandinavia.

Although various parts of the UK experienced some significant disruption to transport networks, my hon. Friend is right to say that rail services in his constituency were particularly badly hit by the problems that occurred at the beginning of this month. I understand and share his concerns about the impact that this crisis had on his constituents, and on businesses and the economy in his constituency.

For the sake of passengers and our economic prosperity, we need to ensure that transport operators and the Government work as hard as they can to secure the best service that is practicable and deliverable in difficult circumstances caused by extreme weather.

In October, before the onslaught of the winter weather, an independent review was published, as my hon. Friend said, on resilience of transport services in winter conditions. The review, led by David Quarmby, set out a series of recommendations that the Government and transport operators agreed to act on. The review emphasised the importance of smoother introduction of emergency railway timetables. It also highlighted the fact that contacts between local authorities and the rail industry should be improved with regard to road access to stations.

As the bad weather set in, my right hon. Friend the Secretary of State asked David Quarmby to conduct an urgent audit of transport operators' performance in England and their compliance with his earlier recommendations. The audit, which was published this morning, emphasises the importance of improving the information given to passengers in the event of disruption. For example, David Quarmby concluded that the rail industry is over-dependent on electronic provision of information. He feels that such systems do not, on their own, provide passengers with sufficient advice and help, nor can they properly demonstrate to passengers that those running transport systems really care about their plight when serious problems occur. We intend to work closely with train operators and Network Rail to respond to the recommendations made in the audit.

I would like to look in a little more detail at how events unrolled in north Lincolnshire at the beginning of the month. During the week of 28 November, cumulative snowfalls of up to 2 or 3 feet over several days were experienced across much of north Lincolnshire and north-eastern England. That initially resulted in delays and cancellation of train services in my hon. Friend's constituency, and then the closure of several rail routes, as we have heard.

Passenger and freight services were unable to operate for several days in the Grimsby and Cleethorpes area. North Lincolnshire is served by three passenger operators—East Midlands Trains, Northern Rail, and TransPennine Express—all of which were badly affected by the snow. Northern Rail services on the Barton-on-Humber branch were suspended from 1 to 11 December. East Midlands services between Lincoln, Cleethorpes and Grimsby were suspended between 1 and 8 December. The TransPennine Express route from Manchester to Cleethorpes was completely shut on 1 and 2 December, and from 3 to 7 December it operated only between Manchester and Sheffield. Three of TransPennine's diesel units were stranded in their maintenance depots at Cleethorpes, which meant that, until the route and depot tracks were cleared of snow, TPE had insufficient resources to serve the Cleethorpes to Manchester route, with negative consequences for passengers across the Pennines.

My hon. Friend specifically raised concerns about the resilience of Brocklesby junction. This has been identified as an issue to be addressed and was flagged up as a concern before the period of severe weather. I understand that this important junction will be renewed at the next practicable opportunity. However, that is expected to be Christmas 2011, because a period of closure is obviously necessary to enable those works to be carried out. The works will include replacing the junction with modern track and fitting point heaters to the remaining unheated points, increasing the resilience of the junction.

I am advised that, throughout the period of disruption, the affected train operators remained closely in touch with Network Rail, working to clear routes as quickly as possible. However, their efforts were hampered by further falls of snow, freezing temperatures and reduced staff levels as their staff struggled to get to work on the disrupted road network.

Network Rail has access to a fleet of purpose-built, heavy-duty snow ploughs, together with a fleet of railway engines fitted with smaller ploughs. To respond to my hon. Friend's questions, a number of locomotives fitted with snow ploughs were operating in the Lincolnshire area. However, in some places the snow was deeper than the snow ploughs were capable of clearing. Network Rail has a limited number of heavy-duty Beilhack snow ploughs, one of which was brought to the area on 3 December. It commenced snow clearance, but unfortunately became derailed that same evening because compacted ice had accumulated in the rail tracks at Garden Street level crossing due to council snow-clearing operations. The plough was put back on the rails, but from that point all level crossings unfortunately had to be cleared by hand.

I am afraid that I do not know the answer to my hon. Friend's question about the offers from freight companies, but I will seek to find it out from Network Rail and will let him know.

The problems faced by those trying to get the railways operating again were compounded by the fact that many roads in the area were impassable during the period. That made it difficult to get teams of engineers and workers to the places they needed to be to clear snow and repair damaged infrastructure. I am told that, despite repeated requests, bus and coach operators were not willing to provide replacement bus services in such difficult conditions.

Martin Vickers: I acknowledge the obvious difficulties that bus operators faced at that time, but many out-of-town buses were operating. For example, the one from Cleethorpes and Grimsby to Hull, via the bridge, was operating. Clearly, there was adequate access, particularly to the A180/M180.

Mrs Villiers: My hon. Friend makes a strong point. One of the lessons that we need to take away from this episode of severe weather is that we need to ask the train companies whether they are being rigorous enough in their efforts to provide rail replacement buses.

Another point to highlight is that some of the consequences of a severe freeze can be felt after the thaw sets in. Ice and snow in the quantities experienced at the beginning of December can damage rolling stock and electrical equipment, which can require time and resources to repair. That can heavily affect train availability for some time after a weather event. It can therefore be prudent in some situations temporarily to suspend a service to avoid ongoing problems with reliability after lines reopen.

With heavy snowfall in the north-east of England, south Yorkshire, Durham, Derbyshire, Humberside and Lincolnshire, the rail industry was stretched to its limit during this period of bad weather. In such situations, I am afraid, Network Rail and the train operators have some difficult decisions to make on the deployment of those limited resources.

In deciding which routes are reopened first, priority is generally given to the busiest and most strategically important. Network Rail's decisions on prioritisation are made by implementing key route strategies, which are designed in advance of adverse weather. I certainly hope that my hon. Friend's representations to Network Rail will be taken on board as it looks at and revises its key route strategies.

The aim of such strategies is to focus limited resources where they can produce the maximum benefit for the national economy and for overall transport imperatives. My hon. Friend acknowledged the importance of keeping vital freight routes open so that our power stations can generate the electricity we need to keep our homes warm as the winter bites. That requires a constant flow of fuel and other resources. As he has told us, the port of Immingham is crucial, and Network Rail placed a priority on keeping freight flows—particularly power station coal trains—moving through the snow.

To do that, some rail junctions, including Brocklesby, were set for a specific route and then not moved for several days. That helps to protect the integrity of the rail network and it can keep critical freight flows moving. Unfortunately, there is no getting away from the fact that one consequence of the decisions needed to protect freight supplies was that lesser used, conflicting routes were subject to longer closure periods. Unfortunately, that included the Grimsby and Cleethorpes routes.

It is a grave concern that severe weather can leave passengers without rail services for such a prolonged period, as my hon. Friend highlighted. I can assure him that the Government will keep up the pressure on the

[Mrs Villiers]

rail industry to ensure that all practical and reasonable steps are taken to ensure that lines remain open where possible and that services continue. To achieve that, it is vital for us to work closely with the industry to plan effectively for and cope with winter weather conditions on the railways.

Throughout the crisis, officials in the Department were in constant contact with Network Rail and the train operators—before, during and after the severe weather episode. The Secretary of State has written to all train operating companies about winter preparedness. Meetings and conference calls have been held between Ministers and the industry to assess the response and progress towards restoration of normal services. That close co-operation continues during the current harsh weather conditions.

We are on course for the coldest winter since 1910. Extreme weather events will always cause disruption to the transport system, no matter how well prepared we are. However, we have now had three successive years in which the winter has contained exceptionally harsh periods. The question we need to ask now is whether that indicates that there is a long-running trend that we can expect to become the norm for this country's climate. If so, we need to reassess our approach and the resources we devote to winter preparedness. That is why my right hon. Friend the Secretary of State has asked the Government's chief scientific adviser, Sir John Beddington, to assess whether the past three years indicate a long-term change in our climate.

I reassure my hon. Friend, however, that I and my officials at the Department for Transport will continue to work hard with the rail industry to try to minimise future disruptions to train services in north Lincolnshire, and indeed across the network as a whole. We are obviously gravely concerned about the disruption that we witnessed during the episode referred to in the debate and the disruption on the east coast main line today.

It is also important to acknowledge railway workers, including those in my hon. Friend's constituency, and congratulate them on their hard work and dedication during the recent severe weather. Track workers and other staff have had to struggle on through horrendous conditions to keep as much of the network running as possible. I gather that, in a number of cases, staff slept at their work location for up to three days to ensure that they were able to do their next shift. I am sure the whole House will join me in paying tribute to the efforts made by transport professionals across the nation to try to keep the country moving despite one of the toughest winters for 100 years.

11.25 am

Sitting suspended.

2012 Olympics (Legacy)

[Miss Anne McIntosh *in the Chair*]

2.30 pm

Stephen Timms (East Ham) (Lab): I am grateful to have secured this debate on the last possible occasion in 2010. I want to set out some concerns, on behalf of the community that I represent, about the legacy of the 2012 Olympics. My hon. Friend the Member for West Ham (Lyn Brown), in whose constituency the Olympic stadium is located, had wanted very much to attend the debate, but her Front-Bench commitments have kept her away. I am grateful that the Minister is here. I am conscious that I shall of necessity touch on some topics beyond his brief, and I am grateful for his willingness to respond.

The 2012 Olympics are a huge opportunity for London and for Britain—and in particular for the regeneration of east London. I am delighted that my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) is in the Chamber. She led our effort to secure the games for London, and the impact of her success will be etched on the economic geography of London for generations to come.

We are already seeing important benefits in east London. When the economy has been in poor shape in the past—for example during the period of cuts under the last Conservative Government in the 1980s—east London has been hammered. I am fearful about the impact on rising unemployment of the Government's programme of cuts during the next four years. Last week's unemployment figures have, I fear, given us a foretaste of what is to come.

In east London, however, we shall be buttressed to some extent by the fact that £9.2 billion is being invested in the Olympic games. Today, more than 900 residents of Newham, my borough, are working on the construction of the Olympic park and Olympic village, and there are 2,300 from the five Olympic host boroughs as a whole. I am pleased that the great majority are being paid at least the London living wage, and I particularly commend efforts such as those of Bovis BeOnsite and Newham council's Workplace initiative with Jobcentre Plus, which have successfully targeted local unemployed people to work on the project.

A couple of weeks ago, I went to Westfield Stratford—the stunning retail development alongside the Olympic park, which will be the largest urban shopping centre in Europe when it opens next September, providing jobs for 12,000 full and part-time staff. At the moment, there are 70,000 jobs in the borough of Newham, so 12,000 new ones will be an enormous boost. The idea of that centre was around before the decision to bring the games to London, but given the form in which it has been realised and the speed at which it has been implemented, it is a very important element of the Olympic legacy. I vividly remember the dismay locally when Marks & Spencer pulled out of Stratford in the 1980s—*[Interruption.]* My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) remembers as well, so the return of Marks & Spencer to Newham when Westfield Stratford opens will be a welcome boost.

During the next year or two, it will be very important to ensure that people who live in the Olympic host boroughs enjoy their full share of the employment and

other opportunities that are created. I shall mention just one idea that I have been talking about to people. Newham is home to people with roots in every country of the world. In too many cases, people are unable to find work. During the games, we shall be hosting visitors from literally every country in the world, and I hope that we shall be able to establish a location where people living locally can set up stalls for modest restaurant businesses to provide cooked food from their home countries, which would help to make visitors to the games feel welcome and create new jobs for local residents. I hope that we can establish that food court in good time for the games and that it can become a permanent feature of the area. There are a number of locations where it might be established.

I want to refer to a particular issue that will be addressed early in the new year: the future of the Olympic stadium. I was present last night, together with the Minister and my right hon. Friend the Member for Dulwich and West Norwood, at the ceremony to switch on the lights in the Olympic stadium for the first time. It was an opportunity to admire the splendour of the stadium now that all the seats have been fitted and to appreciate – it was certainly the first time that I had been able to do so – what an extremely impressive venue it is, even when it is covered in snow.

I support the proposal submitted by West Ham United football club, together with the London borough of Newham, for West Ham to take over the stadium after the games. For more than 100 years, since not long after the club was established – it emerged in 1900 from the Thames Ironworks football club – the club's ground has been at Upton Park in East Ham, in my constituency, rather than in West Ham. Of course, if and when it moves, we in East Ham shall miss it, but I am convinced that that is the right solution. I appreciate that the Minister has no formal say in the matter, but I hope that he will agree that the West Ham solution is the right one for the Olympic stadium.

I shall suggest three reasons why the West Ham solution is right. First, it honours our obligations to the Olympic movement and fulfils the commitment to a strong sporting legacy, which was the basis on which the London bid was successful. Secondly, it offers the best opportunities to the community in east London in which the stadium is located. Thirdly, it is a financially robust bid based on a sound business case.

I shall start with our obligations to the Olympic movement. The Minister will have seen the recent open letter from Olympic and Paralympic medallists, with more than 40 games medals between them, calling for the retention of the athletics track in the stadium. West Ham is committed to retaining it to secure a national athletics centre; the alternative bidders, Spurs, would remove it.

Mr Andrew Love (Edmonton) (Lab/Co-op) Does my right hon. Friend agree that although there has been some confusion about the athletics legacy, it clearly is the strong viewpoint of the athletics industry, the international Olympic movement and everyone associated with this venture that athletics will continue at the stadium?

Stephen Timms: My hon. Friend is right. That view is strongly held by the International Association of Athletics Federations and UK Athletics. Also, when the bid was submitted, a promise was made – it was a significant element of the bid – to retain athletics in the stadium beyond the games, and that promise will be broken if the track is removed. It is very important that we do not let that happen. My hon. Friend is right to underline how strong feelings about that subject are.

An open letter from the athletes sets out their position. They said:

> "One of the most compelling aspects of our bid back in 2005 was the promise of an athletics legacy in the form of a world class stadium. This promise made the idea of legacy real. It showed that the Games would continue to touch the wider community long after the Olympics and Paralympic spectacular had left town."

The letter was signed by a bevy of famous names, including Steve Cram, Tanni Grey-Thompson, Kelly Holmes and Daley Thompson. They are right – we should not break the promise that has been made. The provision of a world-class athletics track in the stadium after the games was one reason why the UK bid secured the crucial support ahead of the 2005 decision of Lamine Diack, the president of the International Association of Athletics Federations, and it is why the West Ham-Newham bid has the support of UK Athletics as well.

The proposal offers additional sporting benefits. It has the support of Essex county cricket club, which wants to be able to use the stadium, too. It will also be used for rugby. The bid is also being supported by Live Nation, the world's biggest live events company, which describes the stadium as

> "a superb venue for hosting major concerts and other events".

Secondly, the bid represents the right solution for the local community, which is why the local authority is supporting it. The stadium will inspire learning and achievement, with thousands of local young people visiting each year to make use of its facilities. The university of East London and Newham college of further education will also have a role. The stadium's legacy will include a studio school focused on sport and leisure, and the West Ham Playing for Success centre will relocate there.

West Ham has a thriving community sports trust involving 3,700 local people a week, and that will be strengthened further by a move to the Olympic stadium. Its training and mentoring scheme has produced 36 fully qualified coaches, all of whom were recruited from the borough. It has delivered PE at key stage 2 of the national curriculum to more than 50,000 pupils at the club's Beckton training centre. The Minister has visited the centre, after which he rightly praised it for

> "empowering young Londoners to take responsibility through sport and education".

West Ham's Asians in Football project engages with more than 36,000 youngsters a year and has been recognised and acknowledged by the Football Association as a national example of effective integration practice. Its multi-sports project delivers 14 sports in addition to football across the borough, and multi-sports coaching is provided to a wide range of people with disabilities. The British Heart Foundation recognises the men's health project at West Ham for its engagement of men in a fitness and exercise programme.

There are discussions about using the stadium to widen cultural activities in Newham – the CREATE festival, arts development for local residents, and concerts and community music events – and it potentially has

[Stephen Timms]

rehearsal space for local groups such as East London Dance. Such a full link to the local community would strengthen the potential for the health element of the proposals on the Olympic polyclinic. The bid's success will boost jobs locally. Half the 1,000 hospitality and safety staff at Upton Park on a match day are from the local area, and that number is likely to grow if the bid is successful.

Mr David Lammy (Tottenham) (Lab): Will my right hon. Friend confirm that the West Ham bid largely involves the use of much of the existing stadium, while the alternative bid from Tottenham Hotspur involves dismantling the stadium? I know that he has immense Treasury experience, so does he think that destroying £500 million of taxpayers' money to set about something new can be good value for money at this time of fiscal austerity?

Stephen Timms: I think that it would be a tragic waste of the investment that has been made and of the superb facility that we saw last night. It would be tragic if the facility was there simply for the brief period of the games. My right hon. Friend is right to underline the importance of retaining what has been achieved, which is impressive.

One thing that struck me at last night's ceremony was the strength of local support for, and engagement with, what is happening in the Olympic park. Tessa Sanderson was there with a group of local young people who are training at her academy to compete in the 2012 games, and other local interests were also present. I hope that that local commitment will be harnessed to make the most of the stadium's future with the existing building. We should not tear it down and start again, and the West Ham bid is best placed to achieve that.

West Ham's Upton Park ground is in my constituency, and, as a local resident, I will be sad to see it go after more than 100 years. However, access to the new venue will be much better, especially by public transport, and the existing site could be redeveloped in a way that would strengthen the local community and the neighbouring shopping centre in Green street. The site would be very restricted if the club envisaged further development.

Thirdly, the West Ham bid makes business sense. As my right hon. Friend the Member for Tottenham (Mr Lammy) pointed out, it does not involve tearing down a structure built with substantial public investment. The capital costs that the project would entail would be met from a combination of the funding made available by the Olympic Delivery Authority, the receipts from the disposal of the current ground at Upton Park and a loan facility provided through Newham council—not a grant, as has been suggested in some quarters, but a loan. The club has been able to show how it will meet its continuing liabilities, even in the highly unlikely event that its recent run of poor results continues and it spends next season in the championship, which I hope will not happen. For all three reasons—honouring our Olympic commitments, achieving a local solution and because the bid makes business sense—I hope that the West Ham bid for the future use of the stadium is successful.

Finally, I want to comment on the sporting legacy of the Olympic games, and the partial U-turn we saw from the Government yesterday when they reinstated at least some of the funding for school sport partnerships. We all agree that inspiring and supporting young people to be active in sport should be—must be—one of the biggest prizes from the 2012 games. It is welcome that the Government will not withdraw the funding entirely, following protests from schools and sports people, but it looks as though there will still be a drastic cut in funding for school sports—I have heard suggestions of an 80% cut.

Mr Don Foster (Bath) (LD): If I get the opportunity to catch your eye, Miss McIntosh, I will comment on the right hon. Gentleman's earlier remarks, but on the school sport partnerships, does he accept that he might be slightly misrepresenting the situation? He has failed to take into account that by removing the ring fence that was applied to school sport partnerships, some of the money that was originally there has gone into schools, and, therefore, will still be available for them to buy into the network. We all agree that it was right to preserve the funding in the form that it is now in.

Stephen Timms: I agree with the hon. Gentleman's last point about the importance of retaining the partnerships, but I do not and cannot share his confidence that the funding will be used in the way he suggests. The Minister might be able to shed some light on this, but I gather that funding for some specialist sports, such as judo, boxing and fencing, may be removed altogether, which would substantially reduce the choice of sport available to young people. The concern that I put to the hon. Member for Bath (Mr Foster) is that confidence has been damaged because the funding is not secure. I am told by schools in my area that the confidence in the arrangements has been quite badly undermined, and it is not clear that yesterday's announcement will repair it. I hope that it will, at least partially, but it is not clear that it has.

The co-ordination resource for the network of more than 1.5 million young people involved in sports leadership and volunteering appears also to be under threat. It is impressive that the number of sports volunteers almost doubled in the past three years, thanks to policies that my right hon. Friend the Member for Dulwich and West Norwood put in place, but it is hard to see how what has happened can do anything other than constrain that important element of the Olympic legacy.

I have been speaking to the head teacher of Langdon school in my constituency, which is a successful sports specialist college that my right hon. Friend the Member for Dulwich and West Norwood knows. Ten years ago, it was a pioneer for the school sport partnerships, and a large group of young people from that school was part of the London bid team at the meeting of the International Olympic Committee in Singapore in July 2005. My right hon. Friend will acknowledge that their youthful enthusiasm, showcasing the diversity of today's young London, played an important part in winning the games for the United Kingdom. Today, Langdon is part of a thriving sport partnership of seven secondary schools and 30 primary schools. The benefits of the partnerships are not just sporting in nature; there is close work with feeder primary schools to support children in their

academic work, particularly in the primary to secondary transition. The partnership also strengthens the ties between the schools and sports clubs in the community. It supports inter-school competitions. I have heard some criticisms that the partnership has not supported inter-school competitions. The partnership to which I am referring certainly has a large number of competitive inter-school events as part of it. It has coaching programmes to help senior students to gain skills and qualifications for future sports leadership roles.

The head teacher of Langdon, Dr Tabassum, wrote to the Prime Minister 10 days ago, making the point:

"As for the Olympic legacy, we can only fully realise the potential of London 2012 and the inspiration it offers by maximising the development systems that we have been creating and developing over the past decade through our established Schools Sports Partnerships."

Of course, the school welcomes the reinstatement since that letter was written of some of the funding, although it is not yet clear to it how much of the activity can be retained. Dr Tabassum makes the point that announcing a complete withdrawal of funding was very damaging to the confidence in schools—primary and secondary—in what they had been doing and was damaging to their commitment.

The Olympic games, in 18 months' time, present a huge opportunity for the UK. It is particularly important that their potential be harnessed to create new opportunities for people living close to the park in east London. In that light, I hope that the West Ham bid for the stadium is successful and that it will be possible for the school programmes, which can underpin the future sporting legacy for the UK, to be sustained after the raid on them over the past couple of months by the Minister's colleagues in the Department for Education.

2.51 pm

Mr Mark Field (Cities of London and Westminster) (Con): I congratulate the right hon. Member for East Ham (Stephen Timms) on securing the debate. I am sure he is excited at the prospect of the Olympics being held in his backyard—a much-deprived part of east London that he has represented with great distinction over the past decade and a half.

Financial concerns were always at the heart of the issue for those of us who expressed some doubts, prior to 6 July 2005, about the wisdom of the London bid for the Olympics. Those doubts have not been entirely assuaged by the passage of time. We should face facts: we have the Olympics and we have to make the best of it. There is no doubt that, with all the planning in place, it will be a great, spectacular three-week festival in August 2012. However, that should not be at the expense of the legacy. When £9.2 billion of public money is being expended on the Olympics games, there ought to be a long-term physical legacy of interest. I shall touch on that in a moment.

The right hon. Gentleman understandably talked much about the future of the stadium. I very much share his views and concerns about what might happen. As vice-chairman of the all-party group on football, I believe that it would be right for West Ham to have the stadium, rather than it going further afield to Tottenham Hotspur. I understand many of the concerns expressed by the right hon. Gentleman and by the right hon. Member for Tottenham (Mr Lammy) on this matter. In 1997, I was my party's candidate in Enfield North, where I reckoned at least two-thirds of the football fans were Spurs, rather than Arsenal supporters. I remember that in the Lea Valley area of the constituency there was a great passion for and pride in Tottenham Hotspur. For many football fans across the country, the notion of Tottenham Hotspur moving 4 or 5 miles away might seem to involve a small distance, but in the context of the villages that make up London it is very important. People would quickly forget the long-term history based around White Hart Lane.

Mike Gapes (Ilford South) (Lab/Co-op): Does the hon. Gentleman agree that West Ham are an east London team, Tottenham are a north London team, and that the Olympic stadium is in east London?

Mr Field: I am sure that, as an expert on postcodes, the hon. Gentleman is absolutely right, although one might ask, where does east turn to north? We will not go down that route, but he makes a good point. It would be encouraging for Twenty20 cricket in particular if Essex used that stadium. It is a tragedy that Essex have not regularly played cricket at either Valentine's Park in Ilford or at Leyton, which still has a beautiful historic 1930s pavilion, for 20 or 30 years. It would be great to see the stadium being used for that purpose.

The right hon. Member for East Ham hit the nail right on the head in relation to the short-term issues that affect West Ham United and Tottenham Hotspur. It would be a great shame to look at this matter just in the context of where the two clubs are at the moment. I fear that I may be less of an optimist about the Hammers' chances over the next four or five months, as they might well end up a championship club with financial problems in the very short term by the time the season ends in May. Tottenham Hotspur are having one of their most successful seasons since 1960-61, when they won the double. They now understandably regard themselves as a champions league team: they are in the last 16 and may well qualify as of right for the champions league next season. Therefore, there would be great passion for the idea of having a big stadium, not just because the Olympic stadium has a capacity of 60,000—well above the 37,000 to 38,000 at White Hart Lane—but because it will be seen as iconic. However, I strongly believe that that would be a short-term decision made with the facts of December 2010 and 2011 in mind, rather than the long-term historical perspective pointed out by the hon. Member for Ilford South (Mike Gapes).

I want to say a few words in passing about the commitment we are making to the Olympic movement with our bid. The right hon. Members for East Ham and for Tottenham, and the Minister, will have seen the well-researched, quite provocative article in *The Spectator* of 11 December, "The true cost of the Olympics". Following a number of freedom of information requests, Ed Howker and Andrew Gilligan went into some detail about the precise nature of the commitment that we have made to the International Olympic Committee. We are now in a very different era—an era of austerity—from that we were in five and half years ago when we won the Olympic bid. The article identified some ludicrous situations: the money to be spent on having some 40,000 hotel rooms booked for IOC flunkies over three weeks in August 2012; the somewhat absurd brand-protection

[Mr Mark Field]

rights that are being insisted upon, not just in the Olympic stadium, but within a large, well-defined curtilage in that part of London. As Mr Howker and Mr Gilligan put it, there will almost be a "state within a state" in London during that month in 2012.

I firmly believe that the very scarce financial resources that we have for the Olympic games must not be used simply to placate the desire of a vast International Olympic Committee quangocracy. I want to see a much bigger and a proper legacy for the locality, particularly in that part of east London.

Tessa Jowell (Dulwich and West Norwood) (Lab): Does the hon. Gentleman not accept that the injection of £6.1 billion into the UK national economy at a time of downturn was valuable? More than 1,000 small and medium-sized businesses around the country have benefited from that. The costs in relation to Olympic hospitality that Mr Gilligan refers to will be borne not by the taxpayer, but by the organising committee, a private company whose funds are privately raised.

Mr Field: That is fair as far as it goes. As the right hon. Lady says, funds have been raised privately through a lot of Olympic sponsors, but there is still a defined amount that the sponsors will put into the Olympics. In the era of austerity in which we live, I have to question whether some boondoggle for the IOC is the right place to put this, rather than the long-term physical legacy for the east end. We have perhaps not discussed that in as much detail in this debate, although I know there will be other opportunities to do so during the next 18 months.

It would be a crying shame if we were not to have a strong physical legacy. We have looked at other Olympic games—whether it be Athens in 2004 or Sydney in 2000—where, I am afraid and whether we like it or not, the Olympic villages were built in relatively impoverished areas and ended up being something of a white elephant. If that happened in London it would be a tragic waste.

In fairness to the right hon. Member for Dulwich and West Norwood (Tessa Jowell), she made great steps forward, particularly to ensure that a proper transport infrastructure is in place, bringing the Docklands light railway right into the heart of the Olympic village. I hope that that will ensure that the same does not come to pass in this country in the aftermath of August 2012.

However, it is vital that we see a proper and fully fledged regeneration. The right hon. Member for East Ham knows that on many statistical analyses his borough of Newham is one of the poorest in the UK. He and I no doubt share the view that if one walks down East Ham high street or through bits of Upton Park, there is a sense of vibrancy with people wanting to sell things. The borough is not poor and impoverished in terms of ambition and aspiration, which is a positive way forward.

I hope that we will focus our attention—not just in the next 18 months, but, probably more importantly, in the few years after 2012—on ensuring that that area of London becomes very desirable. It will inevitably be a mixed area, with both private estates and social housing. I hope that it will become a tremendously successful area for the future. In my view, the real test of the success of the Olympics is where we will be in 10 years' time, not in 18 months. If we can see that that area has been entirely regenerated, and is vibrant and thriving with a desirable residential sector, a retail park, which we will see with Westfield in Stratford, and many small thriving businesses—dare I say it, particularly in the high-tech area where there will be a knock-on effect from what we already have in Shoreditch—that will be the real success of the Olympic games, rather than just the short-term spectacle, which will, I am sure, be a tremendous success and a tremendous credit to this country and our city.

3.1 pm

Mr David Lammy (Tottenham) (Lab): I welcome you, Miss McIntosh, on what I think is your first time in the Chair in Westminster Hall. It is good to see you. I am grateful to my right hon. Friend the Member for East Ham (Stephen Timms) for bringing this important debate to the Chamber today as we approach Christmas and for illustrating that what lies behind sport, whether it is athletics or football, is hugely important to some of the poorest areas of London and of this country. I also want to thank the hon. Member for Cities of London and Westminster (Mr Field) for his remarks on the West Ham and Spurs bids.

Let me go back to 6 July 2005 when we won the bid to host the Olympics. I will never forget that weekend. As Minister for Culture, I was very fortunate to be in Trafalgar square as the results were announced. I had a wonderful few years working with my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell), my very good friend, when she was Secretary of State for Culture, Media and Sport. I saw the huge preparation that this country put into that bid and, I might say, fantastic leadership from my right hon. Friend. Many others provided leadership, too, but I was working closely with her at the time.

That weekend was a very poignant, because the day after the Olympics announcement London faced the most terrible atrocity—the London bombings—in which I lost a very dear friend. That weekend reminded us about the importance of multicultural London.

I remember also the Inspire video that was very much part of that bid. It was a wonderful production—I am sure it is still available on the web—that was directed by Daryl Goodrich. In that video, we see the fantastic sight of young people from across the world. Hon. Members will understand that, representing Tottenham, I felt very close to those young people because many of them make their way through different refugee channels or immigration routes to our great city, so somehow they were connected to that aspiration. We won that bid on a vision of very poor young people from across the world. I particularly remember the visions of Africa and Asia, dreaming and aspiring for something special in relation to the Olympics. We also won the bid because we were committed—particularly to young people in the east end and in communities such as mine—to setting a vision of what the Olympics and athletics could be about. It was on the back of those two things that we won this great prize. I remember when the word "London" was said and we secured the bid.

At the time, when I stood there feeling tremendous pride in the fact that sport brings opportunity to communities such as mine, I could not have imagined that, five years later, I would be participating in a debate

about my constituency potentially being on the brink of losing one of its great beacons—our football club, Tottenham Hotspur. I say that as someone who grew up in Tottenham. I was always aware that when someone left the N17 postcode area and went much beyond it, either in this country or abroad, two things might be mentioned: the Tottenham riots—our shoulders sink at that and we feel a bit uneasy—and that wonderful vision of our football club.

I remember 1981, when Spurs won the FA Cup against Manchester City. Ricky Villa scored two goals and Garth Crooks scored another. I was a young nine-year-old born to West Indian parents from Guyana. Ricky Villa is from Argentina, so we adopted him as a South American, and Garth Crooks, one of our pioneering black footballers, scored a goal, so I felt tremendous pride. But that was against a backdrop in Tottenham of unemployment, serious grief, anguish and problems in relation to the police, and then, sadly, there unfolded some of the worst atrocities that we saw on the streets of London in our 20th-century history.

In our community, Spurs and football allow us to dream of what is possible. They bring us close to excellence and dedication. We see the commitment that young sportsmen and women put into becoming elite sports people, and that connects us with a standard that is not just local, but national and international. That is why it is so important that, when we consider the broader ecology of London, we do nothing that benefits one part of the city and, frankly, dumps on another part.

Northumberland Park is one of the very poorest wards in London. Unemployment there is just below 12%. Life expectancy is 10 years lower than it is 5 miles away in the other part of Haringey, Muswell Hill and Highgate. It is a ward with much deprivation. I am talking about not just Northumberland Park, but Edmonton, which borders it, and the London borough of Enfield. Hon. Members will understand that, because Tottenham rubs up close to that other, much smaller and less distinguished north London club, Arsenal, many Tottenham supporters hail from the London borough of Enfield.

Tottenham is not a club that one would greatly associate—I say this very gently—with some of the racism that has dogged other clubs in the premiership and in this country. The history of our bit of north London is very much a united history. The club includes West Indians who made their way to this country in the 1950s. There is a strong Jewish community, which is largely situated around Stamford Hill, although it stretches across to Golders Green, Finchley and parts of Enfield. There is also a strong Irish and white working-class community. All those groups have stood at White Hart Lane—very much in solidarity, always honouring and celebrating multiculturalism.

That is very special about Spurs, and probably about the north London tradition of football, which also includes teams such as Arsenal, Barnet and Enfield Town. We are very proud of that tradition, and it, too, is a symbol that we offer our young people. I think particularly of Northumberland Park school, which is just next door to Spurs on the site. The school has struggled with immense challenges. Some 40% of its young people get five good A to C grades. I also think of a school such as St Thomas More, just across the way in Wood Green. It has made sport its specialism, so how important it is to the school that Spurs is among the community.

It is important that I pay tribute to the work that Spurs have done while I have been the area's Member of Parliament. The Tottenham Hotspur Foundation is a beacon in the premiership. The commitment that Spurs have shown to the wider community—not only in Haringey, but in Enfield, Barnet and Waltham Forest—is tremendous. The club is working not only with young people in our schools, but with pensioners and the disabled, and it is getting match funding. It is making a huge investment in local people and stretching the reach of elite sport deeper and further, so that we can lift up our deprived community.

The area represented by my right hon. Friend the Member for East Ham is identical to mine, so when he spoke of the Olympic stadium's proximity to, and relationship with, his constituency and the schools within it, I completely understood how important the future of the stadium is to West Ham and to East Ham, up there in east London. I understood the vital role that it will play.

I have worked with Spurs; indeed, I worked on setting up the foundation. I have supported the club, as a constituency MP does, in the many immigration cases involving footballers coming into and going out of the country. The club also wanted to build a training ground in Enfield, and I was very supportive of that. In addition, it has exciting, truly exceptional plans to redevelop its stadium in Tottenham, and one can see those plans on the club's website. The club put its planning application in to the local authority in May, it was approved in September and the Mayor has signed it off. We therefore have plans for an exciting new stadium in Tottenham, and those plans are supported by the local community. We have a new vision for a new period, building on 111 years of history.

Hon. Members will therefore understand how confused, upset and concerned my constituents were when they found out just a few weeks ago that the club was running a parallel track and also putting in for the Olympic stadium. I have spoken to the club's chairman about that, and he has explained to me that it is important that he look at the Olympic stadium and consider its importance in relation to the club's shareholder value. I have to recognise that, but it is my responsibility as the custodian of the community to remind the club and the politicians—in the end, they will make the decision, and here I look to the Minister—that sport does not come out of nowhere.

Tottenham folk have funded the club for 111 years. Also, it is always a great honour to bump into people who, although they may not have funded the club themselves, had grandparents who lived in Tottenham. Indeed, Lord Triesman's grandparents lived in Tottenham, and there are always stories like that. Although someone might not live in Tottenham, they travel there because they have a connection to the area, and it would be a tremendous wrench if that were to be yanked from them.

When we look at the future regeneration and ecology of sport in London, it is our responsibility—I direct these comments also at the Mayor—to recognise that there is much to do in the east as regards the Olympic stadium and the West Ham bid. The future of athletics

[Mr David Lammy]

is also hugely important in that regard. However, we must also acknowledge that there is still a tremendous amount to do in my constituency and in the Enfield constituencies. That is why I have campaigned for many years with my hon. Friend the Member for Edmonton (Mr Love) for improved transport links. I wanted a Victoria line extension to link us up in a much bigger way—not only for the sake of the club, but for regeneration in my very poor part of London. I remind hon. Members that my constituency is the second poorest in London. That is hugely important.

What will be the prospects for Tottenham, Edmonton and Enfield if the club makes this drastic switch? Such a decision would also be a great shame for West Ham over the next decade, because it would clearly cause the club great financial harm. That would be a real tragedy for the ecology of the premiership.

The Government face a very big decision, and I hope that they will reflect very hard when they get the recommendation from the Olympic Legacy Trust. It does not make sense to spend taxpayers' money on a stadium—obviously, as a Minister in the Department at the time, I know that the amount involved was in part disputed, although I suspect that it is not any longer—and then destroy it four weeks later. That would resurrect real concerns about value for money. I suspect that the National Audit Office would want to look into it, and colleagues on the Public Accounts Committee certainly would.

At this time, when MPs such as I are seeing cuts to education maintenance allowance for our young people, the extension of tuition fees, cuts to housing benefit, hikes in unemployment and cuts to the future jobs fund, it cannot make sense to dismantle a stadium in that way. I must put that in the strongest possible terms.

It is also important that the Minister listen to fans and not just the club's current custodians. I have seen the club change hands twice in my period as an MP and four times in my lifetime. Tottenham fans are already concerned about what is happening, and well over 4,000 have signed a petition. It is true that most think this will not happen. Most Spurs fans think, "Oh, this is a try-on, it can't be serious." Well, if it is serious that would be a great travesty.

I want to ask the Minister two questions. First, will he say something about the timetable for the decision? I am informed that the Olympic Legacy Trust board will meet on 28 January and hopes to make a recommendation to him after that. Will he confirm that the decision will be his, alongside the Mayor and the appropriate Minister from the Department for Communities and Local Government? Who else will make that decision? Will he also confirm that he would expect the club to pay a bond, deposit or guarantee in the event of it winning, so in that sense the decision would be final? For example, West Ham would not be able to win the bid and say a few weeks later, "We've changed our minds and we want to stay at Upton Park," and Spurs could not win and say a few weeks later, "Oh, we changed our mind and we want to stay at White Hart Lane." That would make this a moment of urgency for both clubs as they reflect on their future. I am grateful for the opportunity to put those remarks on the record.

Several hon. Members *rose—*

Miss Anne McIntosh (in the Chair): Order. I am going to try to give everyone who wants to speak an opportunity to do so. The hon. Member for Bath (Mr Foster) informed me in advance that he would like to speak, so I shall try to fit in the last two speakers in the 10 minutes after he has spoken.

3.21 pm

Mr Don Foster (Bath) (LD): I congratulate the right hon. Member for East Ham (Stephen Timms) on securing the debate and on introducing the important topic of the legacy of the 2012 Olympic and Paralympic games. It is important to stress that both are included; often the Paralympics are overlooked.

The issue of the legacy is crucial because, as the hon. Member for Cities of London and Westminster (Mr Field) said, the Olympics are not about a few exciting weeks of sporting and cultural extravaganza in London and a few other places. They are about the legacy that can come from the work that is being done and has been done; as the hon. Gentleman said, the real judgment about whether we have succeeded will be made in 10 years' time. I was lucky enough to be in Singapore, and I saw the brilliant work that Seb Coe and his team did in inspiring the world to get behind us, support our bid and ensure our success, when Jacques Rogge pulled London's name from the envelope—it took him an interminable time to do it. The fact that I and the Minister—who at that time was the Opposition spokesman—were there showed how from the very beginning support for the Olympics and Paralympics has been cross-party. It is important to recognise that although I may have disagreed with the previous Government in some matters, broadly speaking everyone has worked together.

We owe a huge debt of gratitude to the right hon. Member for Dulwich and West Norwood (Tessa Jowell), who in her role as Secretary of State and Olympics Minister did a huge amount of work to drive forward the preparation for the games and to build up the plans for a lasting legacy. The one area that rarely gets touched on, although it featured heavily in the bid—in the inspiring videos referred to by the right hon. Member for Tottenham (Mr Lammy)—is the issue of inspiring the world. Everyone will remember how we made a commitment to use the games to inspire the world to get involved in sporting activity and all the benefits that come from it. The right hon. Lady deserves huge credit for her work in establishing the International Inspiration scheme, which has been so successful, and which helps our work in the aid programme in many places around the world. I have been particularly impressed by something with the awful acronym ICES—the International community Coach Education Standards—which has brought people from all around the world together to share expertise in developing coaching skills. That is part of the legacy that is often forgotten.

The right hon. Member for East Ham put forward a powerful case for the West Ham solution for the future of the stadium. His arguments about the business case and the huge business benefits for his community and the surrounding area were very powerful. However, the most powerful argument of all is the simple one concerning the commitment made at the time of the bid, that there would continue to be an athletics track there, and opportunities for an athletics centre of excellence. The

decision is with another body, not the Government, but I hope that the right hon. Gentleman will be successful and that that is the solution that will be reached. It is interesting to hear two Members supporting major football clubs who have both reached the same conclusion, despite representing very different parts of London. The right hon. Gentleman's case is powerful, but of course we shall have to wait and see. It will be interesting to hear what the Minister has to say.

While we are inspiring people around the world, it is interesting to note that we are still inspiring people in this country. Tens of thousands of people have already given their names as potential volunteers to help during the Olympics and Paralympics. That is very encouraging. Two million people have already registered on the tickets website, which shows that there will be very significant take-up by people from within the UK, who want to come and enjoy the games. However, the legacy is about many things. Of course it is to do with the issue that the right hon. Member for East Ham raised about buildings and what is happening in the east end of London, but we must not forget that there has been regeneration elsewhere as well; for example, in Weymouth, the centre for sailing. That is very important. Also there will be a legacy from the significant improvements being made to transport systems in London. The right hon. Member for Tottenham may have wanted even more, but let us not forget that those improvements will produce a significant legacy.

There will be a real legacy in business and employment, as has already been mentioned. Huge numbers of contracts have gone out through the Olympic Delivery Authority for building the Olympic site and the Olympic village, which in turn will provide the legacy of more affordable housing—urgently needed in that part of London. There are opportunities still to come, even though the site is nearly complete. There will be opportunities in the contracts to be awarded through the London Organising Committee of the Olympic Games and Paralympic Games. In the next 12 months there will be £250 million of contracts, for everything from seating to whistles and DayGlo vests and there will be job opportunities from security to ticketing; the list goes on. There will be a large number of opportunities. What is pleasing is that well over 50% of the £450 million of LOCOG contracts that have already been awarded, or that are being finalised, have gone to small and medium-sized businesses, many of which are in London. That is of real benefit to those businesses. Very pleasingly, 95% of the contracts have gone to organisations, businesses and companies in the United Kingdom; it has been a real opportunity. I was interested to see that even the Royal Mint has got in on the act, with the contract to provide the 2,700 medals that will be needed for the games.

There are a couple of areas of concern. The first is to do with the legacy that we hope to get from tourism. We all understand that we are in financially difficult circumstances. I do not want to argue about who is responsible for that, but we all know the situation. It is understandable that budgets and funding, even to tourism organisations, have had to take their share of cuts. However, there is one thing I am particularly concerned about. The Government, rightly in my view, propose to end the regional development agencies and replace them with local enterprise partnerships. Those will in many cases—they will decide—have responsibility for tourism. Unfortunately, however, we will have a gap between the ending of the work that is being done by the RDAs and the work that will begin to be done by the local enterprise partnerships. In that gap of up to two years, tourism may lose out if action is not taken.

In my region, the South West of England RDA established South West Tourism, which did a lot of important work to promote tourism in our region. However, the contract for that work cannot be renewed and it comes to an end on 31 March 2011, even though the RDA does not end for another 12 months after that. Because the contract cannot be renewed, that work will finish. The South West RDA maintained one responsibility in-house, which was for marketing, including tourism marketing, but because all marketing by the RDA has already ceased, tourism marketing in the south-west has already ceased, too.

There is a real problem with the gap between the ending of the RDAs and the formation of the local enterprise partnerships. What will happen during that gap in respect of tourism, which seems to be crucial in the run-up to 2012?

The other area where I have some concern is the school sport partnerships, although I am delighted that there have been some recent announcements about them, which were referred to by the right hon. Member for East Ham. I am very supportive of the coalition Government, but I stood up in a debate on the Floor of the House to point out that I was deeply concerned that while money was to be transferred to schools through the ending of ring-fencing—something I very much welcome—there was still a problem, in that schools did not know what their budgets were. Therefore, they did not know whether they could use any of that money to support sporting activity, and we would have had a situation where the framework of support provided by the SSPs would have disappeared long before the schools could decide whether to put money into them.

As I said on the Floor of the House, it seemed absolutely critical that we maintained a framework that would enable schools, when they knew what their funding allocation was, to determine whether to put money into SSPs; if not, clearly we would have to look for other solutions anyway. I am pleased that a decision was made to find a way of maintaining that framework.

However, I put it to the Minister that we can still go further to make the network more secure; I genuinely believe that we can do that. The other organisations that are already operating very successfully indeed are the county sports partnerships. In some cases, the SSPs are already linked to the county sports partnerships and it seems to me that we could strengthen the framework for schools to bid into by examining ways of more effectively merging the activities of the county sports partnerships and the SSPs, to enable them to do their incredibly valuable work. More work needs to be done in that regard.

I want to be brief, so I shall end by saying just one more thing. Very often, when we talk about legacy, we do exactly what I have just done; we refer to "legacy" in different pots, whether it is building legacy, transport legacy, tourism legacy of sporting legacy, but very often, the truth is rather different—they are all interlinked. The work that we have been doing in the west of England, where I have the honour to be the co-chair of Team West of England, involves finding ways of

[Mr Don Foster]

integrating all the legacy issues. For example, we have got the British Paralympic Association to use the wonderful facilities at Bath university as their training ground. That has not just been good for Bath university; it has been good for local businesses, hotels and bed and breakfasts, and many other service industries in the area. That project is bringing all these things together.

In the same way, when the very first training camp deal was done by Bristol university to bring the Kenyan team in, the university had a 10-point plan, of which the Kenyan team coming to train in Bristol in the run-up to the 2012 games was the last item. The other items were much more about developing links between Bristol and places in Kenya, including schools links, business links, professional team links and so on. Those are the sorts of things that we can still do and that we need to do much more of. However, I am very optimistic that we shall have a great legacy from what will be a fantastic set of Olympic and Paralympic games in 2012.

Miss Anne McIntosh (in the Chair): We have six minutes left for two speakers, before I call the Front-Bench spokesmen.

3.34 pm

Mr Andrew Love (Edmonton) (Lab/Co-op): Thank you, Miss McIntosh, and may I welcome you to the Chair?

I congratulate my right hon. Friend the Member for East Ham (Stephen Timms) on securing the debate. Unusually, I make a declaration. It is not in the register, but I have to declare an interest as a Tottenham fan, although my focus in this debate is on what is in the best interests of supporters.

I have only three minutes to speak, so I will restrict my remarks. I agreed with much of what has been said in the debate today, particularly that there needs to be a long-term legacy; it is not just about what happens in the short term.

As I see it, there are four issues in relation to the legacy of the Olympic stadium. First, we need a world-class stadium; secondly, the stadium needs to combine community use with athletics; thirdly, it needs to provide diversity, by staging other types of events, including concerts; and fourthly, of course, the issue of viability has come to the fore. We know what has happened in previous instances with other Olympic games. Indeed, I was interested to see that, at the short-listing for the bidding, the chair of the company said that the company was obviously looking for an anchor tenant, but that it was interested in mixed use and that there should be a legacy for athletics. Those will be important considerations.

First of all, we need a world-class stadium. The contentious issue is whether the track should be retained. We have arranged our bid on the basis of commitments to the International Olympic Committee; indeed, the athletes' letter, which was mentioned earlier, talked about that issue. Of course, the legacy company reaffirmed that.

In relation to athletics events and community use, my right hon. Friend the Member for East Ham ticked all the boxes as far as West Ham is concerned. The real concern is the decision by Spurs to demolish the stadium and replace it with an exact replica of the one they intend to build in Northumberland Park. In order to address the issue of the athletics legacy, Spurs has come up with the idea of refurbishing Crystal Palace. I do not have time to go into the details, but the reality is that it is not in the most deprived part of London, where the original commitment was given. We need to continue to reaffirm that commitment. Currently the proposal does not match the criteria.

The importance of other sports and cultural uses goes without saying. How do we ensure that schools and others can use the stadium in the future? There are real difficulties. The Spurs bid is very commercially oriented and I worry about how that would fit with the other types of events that are being suggested for the stadium.

Finally, on viability, the Spurs bid is viable; that is clearly the case and I am sure that, as has been suggested, the West Ham bid is also viable. However, we need to take account of the fact that it is very much option B for Spurs. Option A is the new stadium in Tottenham. That proposal has been cleared by the Secretary of State for Communities and Local Government, the Mayor of London and the planning authority. It is also supported by Spurs fans, not only the "We are N17" group but supporters in N18, N9, and EN3 in my constituency and indeed in the whole of Enfield. There are long-term historical ties; the club would not be Tottenham Hotspur if it was not in Tottenham. Those are important considerations for the club.

However, in the interests of time, let me end by saying that I hope the Minister will indicate how the committee responsible for choosing the successful bidder is looking upon the different bids.

Miss Anne McIntosh (in the Chair): I call Mike Gapes, who has two minutes in which to speak.

3.38 pm

Mike Gapes (Ilford South) (Lab/Co-op): I, too, begin by declaring an interest. I am desperate for West Ham to win at Fulham on Boxing day and then at home to Everton and at home to Wolves. I have been a season ticket-holder in the Bobby Moore stand for many years. I have supported the club for 50 years and I know that there is a long tradition of fans being attached to our current ground. Indeed, there are some West Ham fans who do not want West Ham to move to the Olympic stadium either.

However, the fact is that if West Ham moves to the Olympic stadium site, it will fulfil not only the commitment made to athletics, but for the reasons that my right hon. Friend the Member for East Ham (Stephen Timms) has given, it will be a commitment to the regeneration of east London and to the priorities of the community there.

If Tottenham Hotspur moves, it will be like Milton Keynes Dons; presumably, the team will rebrand itself as the "Stratford Spurs". It will become a peripatetic football team, losing its roots and traditions. By contrast, if West Ham moves, it will still be a team from the east end, a team in the borough of Newham and a team with roots in the community, proud to have the claret and blue flying over the Olympic stadium in Stratford and proud to serve the community of east London, including the community in Ilford, where I live and where my constituency is located.

There are a few Tottenham fans in Ilford—not many—but I have not found a single Tottenham fan who wishes to travel to Stratford to go to football matches. I believe that Spurs fans should continue to travel to N17 and West Ham fans should continue to travel to the east end, to grounds in the communities from which they come and which represent their values for the future. One real winner will come from the West Ham bid: the legacy. That is why it is important that West Ham and Newham council's bid is successful.

3.40 pm

Tessa Jowell (Dulwich and West Norwood) (Lab): I join others in welcoming you to the Chair for this debate, Miss McIntosh.

It was an enormous pleasure to be at the stadium yesterday as the lights were turned on and to see the spectacle of the virtually complete stadium. We saw the structural evidence of progress and had conversations with many of the work force who built the stadium. They took pride in having the opportunity to be part of it and to do something much more than just going to work. The Prime Minister made the point well yesterday that the whole country has built the stadium. The steel came from Bolton, the steel for the aquatic centre came from Newport, some of the planting came from Norfolk and the steel cabling came from Doncaster. Businesses all over the country will reflect with pride on their contribution to the Olympic park. Equally importantly, their order books have been kept busy during the downturn, and they have not had to lay off staff; in many cases, due to the mandate that supply chain contractors must build the skills of their work forces, they have hired apprentices whom they might not otherwise have hired.

The London that will greet the world in just over 18 months will perhaps be different from the stereotypes. It will not be a London of Beefeaters and well-recognised historic monuments but the London reflected in part in the Olympic bid that won us the games. Those young people from Langdon Park were the face of London, representing 20 nationalities and speaking 22 languages. The London that welcomes the world will be a creative London of diversity and tolerance. We will also be proud that businesses around the country have benefited from the investment.

I challenge the hon. Member for Cities of London and Westminster (Mr Field): I think that scepticism is always a good discipline in relation to such a big project. We won the bid because we said that these games would be the legacy games. We must be kept true to that ambition, which will continue to be realised long after the games are over. We will achieve things that we would never have achieved but for the Olympics and the scale of the ambition that has been unlocked: to be fourth in the Olympic medal table and second in the Paralympic medal table. Our two big legacy ambitions are to transform a generation of young people through sport, and to regenerate east London. Another is, through the Paralympics, to change for ever attitudes toward inclusion, the entitlement to a full place in our society and opportunities for disabled people.

The big and immediate challenge, as my right hon. Friend the Member for East Ham (Stephen Timms) said clearly, is to reshape east London's economy. This debate has been supported by many right hon. and hon. Members for whom that is a burning concern. I welcome the fact that the Olympic Park Legacy Company has taken a strong lead that can give us all confidence in the commercial future of the Olympic park. The ambition is that the Olympic boroughs, in which too many have been workless for too long, will become the digital equivalent of the square mile in the constituency of the hon. Member for Cities of London and Westminster, and that the economic heart of London will broaden to incorporate the entrepreneurial and creative talent of Hoxton and Shoreditch and the new studios and workshops of Hackney Wick. It is encouraging that there is already commercial interest in investing in the park. It demonstrates the lasting impact of the Olympics: the hard legacy of the park and the soft legacy of a local population better skilled to take the new jobs brought by the new investment.

Two years before the games, the private sector is already responding, even at this difficult time. Canadian pension funds are investing in Westfield Stratford City, which would not have happened without the games investment. Nine world finance groups are bidding for the athletes' village, and we have heard plenty about the two remaining contenders for the Olympic stadium.

The important point is that the OPLC will decide whether the eventual winner of the competition provides good value for money in the broadest possible sense. It is also important that whichever club wins the prize, it does not crowd out or put at risk the potential for other investment. It is important that the stadium be reopened rapidly after the games, that the proposal be financially credible and that the community will not be bystanders pressing their noses against the plate glass that excludes them. They are entitled to be full citizens enjoying the park's facilities. If the OPLC approaches the decision in that way and builds on the commitment to the legacy of jobs, the promise of the legacy will continue to be realised.

Will the Minister reassure us that there will be a continued drive to develop skills and new jobs despite the Government's proposal to abolish the London Development Agency? Will they realise, as hon. Members have mentioned, the full impact of the tourism legacy?

On school sport, we welcome the second major legacy promise. Will the Minister assure us that in the context of an 80% reduction, the number and range of sports offered will not be reduced, that competitive sport will continue to increase and that the Government will move towards the target that we set in government of 60% of young people participating in at least five hours of sport a week?

The challenges are great, and it is right that there is a clear cross-party commitment to running the Olympic games. I conclude by paying tribute to the Minister and to the hon. Member for Bath (Mr Foster), who speaks for the other part of the Tory-led coalition, for the way they sought to ensure, certainly during my time as Secretary of State, that we maintained that spirit, because London deserves it.

3.50 pm

The Minister for Sport and the Olympics (Hugh Robertson): I join other Members in congratulating you on your debut appearance in the Chair in this Chamber.

[Hugh Robertson]

Miss McIntosh. No one has mentioned it, but we all ought to congratulate the hon. Member for Bath (Mr Foster) who has just been elevated to the Privy Council.

I add my personal thanks to the right hon. Member for Dulwich and West Norwood (Tessa Jowell) for the extraordinarily constructive and inclusive way she managed the process when she was in charge. The past six months must have been difficult for her: to start a project of that sort, be as closely involved as she was and then, for reasons beyond her control, see it pass to someone else must have been difficult. I simply say that I am grateful to her for everything she did and for the way she has conducted herself since. I also congratulate the right hon. Member for East Ham (Stephen Timms) on securing the debate and on the way he made his points.

Given that time is short, I will try to answer the various questions that have been asked as best I can, rather than read the prepared speech, which I suspect might be rather familiar to the right hon. Lady. The right hon. Member for East Ham should have no fear about the political aspect, if that was a worry behind anything he said. The Olympic Park Legacy Company, chaired by Baroness Ford, is doing a fantastic job. She was appointed by the Government in which the right hon. Gentleman served and is a Labour peer—I think she may be a Cross Bencher now—so he should have no worries on the political front.

The right hon. Gentleman asked some good questions about jobs on the site. There are currently 10,333 people working either on the park or the village, of whom 25% and 29% respectively come from the six host boroughs. Genuine employment opportunities have been created, even before the London Organising Committee of the Olympic and Paralympic Games brings forward its opportunities, or Westfield starts to recruit for the Stratford City development, which I am told will bring another 20,000 jobs to the area. If those forecasts are correct, the position looks reasonably promising. I enjoyed his suggestion about local residents and a local food court, and hope that he will manage to persuade his borough to take that up.

I absolutely take on board the right hon. Gentleman's points about school sport. I think that we are all much happier with the position we are in now than the one we were in a week ago. To be fair to the Secretary of State for Education, it was a difficult decision. He had a budget that was subject to a 10% cut and had decided to hand the budgets over to schools, as the hon. Member for Bath noted. Once he had done that and given the schools a 0.1% increase above inflation, he was left with a very small pot, out of which he had to make his 10% cross-departmental cut. At the same time, he was trying to fund the pupil premium, which I guess will benefit many young men and women growing up in the borough of the right hon. Member for East Ham. It was an extremely tight financial settlement, and although I take on board the many points that have been made by the sports lobby, not a single one of them came forward and said, "Save this and cut the other"; it was all, "Save this spending". Anyone who has had to go through a major deficit reduction plan will know the difficulties involved.

The stadium was the major part of the right hon. Gentleman's speech. He made a powerful case for West Ham, but I hope that he will not be offended if I say that it was not the first time I have heard that speech, or indeed the counter-offer from north London. He is absolutely right to say that I visited the West Ham community scheme about a year and a half ago when I was in opposition. It is a powerful scheme that does fantastic work in the community, and I pay tribute to it again, as I did at the time.

We are currently in the middle of a legal process, so I am unable to say a great deal more about that now, but I will come on to the dates and who is making the decisions in a moment. Clearly, it is massively to the benefit of the public purse that two extremely good and competitive bids are going forward. If I were to comment in too much detail one way or the other, however, I would open myself up to judicial review. Having been a distinguished Minister in the previous Government, the right hon. Gentleman will know that landing the Government in the High Court is not normally a role for junior Ministers, so I will leave it at that and simply say that the process is ongoing.

My hon. Friend the Member for Cities of London and Westminster (Mr Field) talked about the financial aspects. On the village, I can assure him that there are nine high-quality bids, as the right hon. Member for Dulwich and West Norwood said. I do not think that I am breaking any confidences when I say that that was considerably more than we expected. There is a great deal of interest in what is being built on the park, and almost everyone who goes there is—to use a nasty, modern phrase—blown away by it. There is considerable investor interest in large parts of it, so I hope that my hon. Friend will be reassured. The right hon. Member for Dulwich and West Norwood is right about the hotel rooms; they are not being paid for from the public budget, and many of the bodies occupying them—the international federations and the rest—are simply billed for them. It is not some great state-sponsored beano in which people will be living at the Dorchester at huge public cost.

In a very good speech, the right hon. Member for Tottenham (Mr Lammy) spoke of his passion for the bid. I was lucky enough to be with the hon. Member for Bath and the right hon. Lady in Singapore at the time, and I thank the right hon. Member for Tottenham for the role he played. He made a powerful speech about Tottenham. I hope he will be impressed to know that I have also visited the Tottenham Hotspur community scheme; indeed, he will be doubly impressed to hear that I did so during black history week. There were many people in the stadium at Tottenham studying the very first black player to play for Tottenham.

Mr Lammy: Walter Tull.

Hugh Robertson: The very man. They had all drawn him, were learning about him and putting that into context. Crucially, I was told that there was a reading skills course, which I think had been running for seven weeks when I visited, and the average literacy age increased by 18 months over that period. It is a fantastic scheme, and the right hon. Gentleman is right to pay tribute to it.

The right hon. Gentleman also asked about the time, but he will appreciate that the remarks I made earlier apply to what I can and cannot say about the process. He is absolutely right that the initial decision will be

made by the OPLC board on 28 January. It will then be confirmed, and eventually due diligence will start. I am absolutely sure that some form of deposit or bond will be taken from whichever preferred bidder emerges from that stage, and the decision will then come back to the founder members of the OPLC board—the Department for Communities and Local Government, the Department for Culture, Media and Sport and the Mayor of London. Those three bodies will take on that scheme, and that arrangement was set up under the previous Government. I hope that answers all the right hon. Gentleman's questions about the process.

Mr Lammy: Does the Minister expect that the eventual decision will be a political decision on the recommendation of the trust, some time after 28 January?

Hugh Robertson: The current timetable, all being well—clearly that depends on due diligence and the various things that have to be gone through with the preferred bidder—is for the decision to be announced by the end of the financial year, so by the end of the first quarter of 2011. I would imagine that 1 April 2011 would be a good planning date. Like all decisions, it will be a balance: value for public money, the legacy and promises that we have made will all be considered.

The hon. Member for Bath made a customarily good speech. With regard to tourism, he is right to identify the gap between the ending of RDAs and the start of LEPs as a concern. We are looking at that process with the Department for Business, Innovation and Skills. I absolutely take on board his remarks about county sports partnerships. One of the things that has come out of the slightly tortured process of the past three months is the question of whether we are making enough use of CSPs, which tend to vary in quality, depending on the area in which they are sited, who is in them and who is running them. There is certainly room to bring the two closer together.

The hon. Gentleman also touched on international inspiration, which has not formed part of the debate. I do not know how many Members picked it up, but we were able to confirm the full funding from the Department for International Development for the remainder of the International Inspiration scheme, which is a considerable step forward.

I thank the hon. Member for Edmonton (Mr Love) for his contribution. He made the case for Spurs to remain at White Hart Lane. I am probably in danger of overreaching my brief, but I am not sure that that is an option B, as all the information I have seen indicates that Spurs is pursuing that option very seriously indeed. The hon. Member for Ilford South (Mike Gapes) made a powerful case in favour of West Ham, and I wish him well for the Boxing day fixture. Time is running out, so I thank all Members who have spoken in the debate for their contributions, particularly the right hon. Member for East Ham, and wish everyone a happy Christmas.

Local Government Funding (Hackney)

4 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): In these final hours of a momentous parliamentary year, I am grateful to be able to put on the record my concern about the consequences of local government funding cuts for my constituency. To make the case fully about what a hammer blow the cuts will be, I have to put those cuts into context.

Parents and young people in Hackney are still reeling from the consequences of the cuts in the education maintenance allowance. The east end of London, particularly Hackney, has one of the highest proportions of young people claiming the EMA of anywhere in the country. In one of the further education colleges in my constituency, BSix, more than 75% of the students claim the EMA. Yesterday, I heard the Secretary of State for Education claim that the EMA was tokenistic. I put it to the Minister that the sums involved—£10, £20 or £30—are not tokenistic in the east end of London. Those sums have made it possible for young people to stay on at school. Losing that money will be a blow to household budgets and will be a slap in the face for those young people and their aspirations.

We will also be hit by the health reorganisation, contrary to the claims of Ministers that the health budget is protected. Hundreds of redundancy notices will be issued by the primary care trust in my constituency, as in others throughout the country, as part of the reorganisation process. Ministers have promised that 45% of management jobs will be lost. Those are real jobs held by real people, some of whom live in my constituency and many of whom are women.

The context of the local government cuts also includes the figures this month on rising unemployment and the big cuts in the public sector generally. The Minister knows that the public sector is a major employer in Hackney, particularly of women.

As if all that was not enough, there will also be changes to housing benefit, which will affect claimants in Hackney, who numbered 7,829 as of November. Based on the current caseload, the average shortfall for a claimant in Hackney due to the caps will by £22.96, but the highest shortfall could be as much as £250 a week. Those calculations do not take into account the further shortfalls that will also arise from the 30th percentile rule, which will mean that people can only get housing benefit from the bottom percentile of private sector rents in their area.

We are not looking at local government cuts in isolation. In Hackney, one of the poorest boroughs in the country, local government cuts should be seen in the context of cuts in the EMA and housing benefit, job losses in the health sector and rising unemployment. On top of these things come the local government funding cuts.

I sought this debate because Government grants to Hackney are being cut by 14.9%, the equivalent of £44 million. That is the biggest cut in London and one of the highest in the UK, putting Hackney 26th out of 152, in percentage terms. If I put nothing else on the record, I wish to put on the record that the Government figure showing an 8.9% reduction was misleading, because it includes moneys that do not come from the Government, including council tax revenue, transitional grant funding,

[Ms Diane Abbott]

which is only available for the first year, and £3.7 million NHS funding for new activities. The real figure is 14.9%, which is more than £44 million.

In responding to the 8.9% figure, I must say that the Government have made much of the fact that funding per head for residents in Hackney in 2011-12 will be £1,043, compared with only £125 per head in Wokingham. That seems like a huge gap. Some, perhaps even the Minister, will say, "Clearly, Hackney is being treated generously and maybe with undue generosity." But I am grateful to be able to put the truth about the cuts on the record. Hackney has more than £1,000 per head in local government funding because it has a very low tax base per head—the last major factory moved out of Hackney when I first became a Member of Parliament, more than 20 years ago—whereas Wokingham has a very high tax base.

The London borough of Hackney's need assessment is one of the highest in England—I have worked in Hackney for 20 years and have personal understanding and knowledge of that—whereas Wokingham has one of the lowest. To illustrate that, in case the Minister is not persuaded, 33% of children, or more than 6,000 pupils, in the London borough of Hackney take free school meals, whereas in Wokingham only 3.9% of pupils—just 491 children—take free school meals. In Hackney, 44% of children are in out-of-work families in receipt of child tax credit, but in Wokingham the figure is only 6.7%. In Hackney, the proportion of older people on the income support element of pension credit is 53.7%, whereas in Wokingham it is only 9.2%.

I beg Ministers to stop making misleading comparisons between Hackney and shire counties, because the need in Hackney is so much greater than in the areas that they are referring to. It is misleading and unfair and it seems as though they do not take seriously the huge social need in the inner city.

The cut of 14.9% is being imposed on top of all the other cutbacks that Hackney is facing. What will be the consequences of such a cut in local government funding to Hackney, together with the changes in the apportionment of what used to be called neighbourhood renewal funds? Inevitably, because the local authority is such a huge employer, there is a threat to jobs and services.

We in Hackney—myself and my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) and our elected mayor, Jules Pipe—will be fighting to save jobs and services, but already we know that five youth clubs that we were promised under schemes promoted by the previous Government will not happen. There is concern that the Government are carelessly stopping that youth provision with the stroke of a pen, although Hackney faces so many issues to do with youth culture, gangs, antisocial behaviour and criminality.

We know, partly because of the nature of the schemes that we spend the neighbourhood renewal funds on, that youth offending work and youth work is threatened, as is work with young people not in education, employment or training and on child obesity.

Posts will be deleted. It will suit civil servants and even some council officers to claim that they are not making redundancies—some will be agency posts and others will be voluntary redundancies and I suspect that, at this stage, only a small proportion of posts deleted will be involuntary redundancies—but a post that is deleted is a job that is not there. Just because somebody is an agency worker does not mean that their need for employment is any less. They may not figure in a column headed "Redundancies", but people who had jobs will lose them.

The hundreds of posts that are deleted, even if they are not officially regarded as redundancies, will mean fewer jobs for young people leaving Hackney schools and colleges who have worked hard and hope to make some sort of life for themselves. In the opening weeks and months, as Hackney local authority draws up its budgets, we will know exactly where the axe will fall. There is no question but that both jobs and services are threatened.

I have heard a number of Ministers in the Tory-led Government talk about local government bureaucracy. The mayor of Hackney, Jules Pipe, is aware of that issue and 36% of posts at tiers 1, 2 and 3 are being deleted—that is 20 positions altogether. In debates such as this, mention is often made of how much chief executive officers in local authorities are paid. Let me put on the record that I do not defend those salary levels, and I do not accept the argument that the salaries earned by some chief executive officers in London are due to the market; it is a cartel driven by recruitment agencies. I have discussed that issue with colleagues in local government who say that they cannot attract the people and that they need to bring people in. I argue, however, that it cannot be satisfactory to have so many leaders of inner-city local authorities who do not live in inner cities; some of them commute from far outside the M25. Local authorities need to invest in second and third-tier officers, so that it becomes more normal to recruit at the highest levels from within. Those authorities would then not have to pay inflated salaries via recruitment agencies, and they would be more likely to attract people who, instead of travelling hundreds of miles to their place of work, are local, have roots in the area and understand the authority.

I do not defend the high, inflated salaries that, in my view, have been paid to some chief executive officers over the recent decade. Such salaries would be more acceptable if those officers accepted what many of us in the House would consider to be proper accountability. Some seem to have difficulty with the notion that together with such a considerable salary—three times that of a Member of Parliament and more than that of the Prime Minister—comes accountability. Sadly, the case of Sharon Shoesmith is an example of that. I am not here to defend high salaries, but even if we got rid of every first, second and third-tier officer in Hackney, it still would not make up for the £44 million of cuts that we face.

In conclusion, we are all aware that savings have to be found in the aftermath of the credit crunch. However, the Labour party does not accept the argument put forward by Ministers and their supporters that the cuts are inevitable in their totality. The cuts are ideological, and the fact that boroughs such as Hackney will be hit so much harder than boroughs such as Richmond points to what is going on. It is wrong and distressing for Ministers to compare Hackney with Wokingham as if they were in any way comparable. It is wrong to mask the scale of the cuts by adding in council tax revenues as if those are given to Hackney from central Government.

when in fact the money is raised. It is wrong for Ministers to turn away from the real need that exists in boroughs such as Hackney.

Over the past few decades, remarkable work has been done by community organisations, local authority leaders and the Government in the east end of London. In my local authority, there are five new academies; there is the brand new east London line, which is the brain child of a former Mayor of London. However, the east end still struggles with the legacy of Britain's industrial past. It is no coincidence that some of the most historically significant local government leaders emerged out of the politics of the east end in the 19th century—George Lansbury, for example, and the councillors of Poplar. It has been clear for over a century that the issues and challenges that face communities in the east end of London cannot be solved by individual charity alone. They cannot be solved by, "The rich man in his castle, the poor man at his gate", or by charity at the appropriate time. Such problems can be solved by the aspirations and ingenuity of individuals, but only if there is a strong local state. Those of us who live in the east end of London and represent the area, look with apprehension at the clear intention of the Conservative-led Government to whittle away at the local state in the east end, to delete posts and services and leave families and children unprotected against the stormy economic times that we are passing through.

These are almost the final hours of 2010. It has been a momentous Parliament. For the first time in many years we have a coalition Government, and for the first time ever, I am on my party's Front Bench. The year has ended in a way that many of us could not have foreseen. As I said at the beginning of my speech, I am pleased to put my concerns about the cuts on the record, and I assure the Minister and the House that when it comes to fighting to defend the interests of the people of Hackney, I will stand side by side with my colleagues and we will give no quarter. We were elected to fight for people who have no voice and for a better, stronger community. My hon. Friend the Member for Hackney South and Shoreditch, the mayor of Hackney, and I believe that the wave of cuts that is coming towards the east end from all quarters poses a real threat to communities and to the changes made by recent generations.

4.17 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): I am grateful to the hon. Member for Hackney North and Stoke Newington (Ms Abbott) for providing hon. Members with the opportunity for this debate. As she said, it has been a momentous year for her and also for me—I, too, did not expect to be where I am. However, that gives me the opportunity to address the concerns raised by the hon. Lady, and those in a wider context that relate to the economy and local government.

When the coalition Government took office, they had clear objectives. Right at the top of those objectives was the desire to shift power from Westminster—and more particularly from Whitehall—to people and communities at grass-roots level, and to promote decentralisation and democratic engagement. We are doing that by giving new powers to councils, communities, neighbourhoods and individuals.

The backdrop of the economic crisis that we inherited meant that we also needed to identify better ways of funding local government. The spending review and the provisional settlement provide opportunities to do that, and we are working hard to ensure that it happens. Managing the impact of the funding reductions requires tough choices.

I do not accept the hon. Lady's view that the cuts are ideologically driven. I am sure that if someone comes to her surgery and says, "I am having difficulty paying my rent or my electricity bill but I'm going on holiday to Corfu next week", her advice would be to cancel the holiday to Corfu and concentrate on delivering the essentials. That is what the Government are doing. Each day, £400 million must be borrowed—perhaps the figure is even larger. We are increasing income and we must reduce expenditure. We are doing that to the best of our ability by protecting the most vulnerable people. I understand the hon. Lady's points; they are heartfelt and based on her experience as a vigorous and active constituency Member. However, we need to put that in a context where the revenue funding to local government from central Government must be reduced. The comprehensive spending review confirmed that the revenue would reduce by 26% in real terms during the CSR period, excluding expenditure on schools, the fire brigade and police. However, it is very important to understand—and I am sure that the hon. Lady does understand—that local government spending will reduce by far less than 26% because councils also get money from council tax. She is wrong to discount the contribution that council tax will make to the spending power of Hackney.

Ms Abbott: I am not discounting it; I am saying that it is misleading to claim that it is only an 8.9% cut, when the cut to the money that the Government give to councils is more than 14%.

Andrew Stunell: I understand the point that the hon. Lady is making, and I will come on to the detail of the sums in a minute or two, if I may. However, the Government, the Department and the Secretary of State have made it clear that we are talking about the spending power available to councils, which is what is crucial to the council's delivery of services and its employment of staff, as I am sure she understands. It is about how much money the local authority has to spend. She is right: the contribution from central Government is reducing and will reduce further over the period of the CSR. However, the capacity of the council to spend money will not fall below the figures we announced.

Even in these difficult financial times, we have protected those in most need of support. We have provided £1 billion of NHS funding to support social care services, which will build up by 2014-15 and is front-loaded, with £800 million of it coming in the next financial year. That includes £650 million paid through PCTs next year, and Hackney will benefit from a share of that money—as will all social services authorities—by receiving approximately £3,700,000. In a throw-away remark, the hon. Lady said that that would be for new duties; it is for managing the junction between health and social services, which service deliverers on both sides understand can make real economies and add common sense to their joint budgets, as well as improve care. In addition, the Department of Health is rolling £2.4 billion of social care funding into the formula grant over the next

[Andrew Stunell]

three years. That is made up of existing social care grants, which will rise in line with inflation and reach £1.4 billion by 2014, and an additional £1 billion, which will come from the funding to the NHS to councils to support social care.

We have protected investment in the homelessness grant and are prioritising services with the Supporting People programme over the spending review period. We are also giving more flexibility to local authorities. We are ending the ring-fencing of all revenue grants from next year, except school grants, and there will be a new public health grant from 2013. We have simplified and streamlined grant funding, and have shifted a wide range of other budgets, including GP and police and crime commissioner budgets, to the local level where they can be pooled and aligned. An important further step will be the creation of community budgets starting in 16 pilot areas next year, but it is possible to extend that to all local authority areas by 2013.

Turning to Hackney, I welcome what the hon. Lady had to say about high-powered salaries in the local government sector. I think that she and I are of the same mind on that. I hope her words will be widely listened to across London and elsewhere. We have produced a settlement that ensures that no council will see its revenue spending power decrease by more than 8.9% either next year or the year after and is progressive in its impact—I will come to that in a moment. It also confirms the transfer of control of finances from Government to local authorities, giving local authorities discretion. It is in that context, and the context of the council tax freeze and next year's supporting grant, that I want to assure the hon. Lady that we have responded to the pressures that undoubtedly exist in Hackney for public services and for strong local government.

Joseph Johnson (Orpington) (Con): Is there not a danger in the local government settlement that we are inadvertently penalising local councils that are already running a very tight ship? As the Minister may know, Bromley, which includes my constituency of Orpington, receives the second lowest local government formula grant—just £216. That is being cut by 14.3%, even though the council has very little to cut as it is.

Andrew Stunell: I can if necessary fight a war on two fronts, but that intervention probably makes the point for me. The settlement that we have produced protects Hackney and, it perhaps could be said, at the expense of Bromley. We have subdivided local authorities, in relation to the allocation of grants, by what we have described as banded floors. There are four bands, based on their dependence on Government grant as a fraction of their total spending.

Ms Abbott: If the local government settlement is as benign as the Minister says, why have leading Liberal Democrat councillors and local government leaders and leading Conservative local government leaders attacked it? I believe that one Liberal Democrat local authority leader went so far as to refer to the Secretary of State and the Minister for Housing and Local Government as Laurel and Hardy. I would not dream of being so disrespectful, but those are not the words of people who are happy with the settlement.

Andrew Stunell: The hon. Lady and I have been around for longer than probably either of us wants to admit. With every local government settlement, every council finds a reason to complain that it has not been dealt with fairly. I understand that. This is the local government settlement in which every local authority faces a reduction, so it is not unexpected that the pain is felt and sometimes expressed.

However, we are protecting Hackney through the introduction of the banded floors, which means that its proportion of grant reduction is less than the proportion of grant reduction for those in the most independent sector of the local government family. In fact, Hackney is 3% better off than it would have been if we had stuck to the previous Government's grant formula system.

We have adjusted the distribution of grant to give greater weight to relative needs, raising the figure from 73% to 83%, so that the per capita element is reduced and the element dependent on the deprivation of the area is increased. We have also introduced the transitional fund. That directly benefits Hackney to the tune of about £5,800,000. The introduction of the transitional grant means that we have been able to limit the losses of the councils that would otherwise have been most severely hit. The transitional grant goes to Hackney; it goes to some 70 councils in all over the two-year period, ensuring that any council that in either year would go over the 8.9% threshold will receive transitional grant funding to bring it back to that level. We are currently consulting on that and, in making our final recommendation, we shall look with interest at the feedback that we get from councils.

I want to deal with the hon. Lady's point about the comparison between Hackney and Wokingham. That is not to say that Wokingham is like Hackney. It is to point out to hon. Members that the Government understand that Hackney is more vulnerable than Wokingham, which is why for every pound of grant going to a person in Wokingham, £8.36 goes to a person in Hackney—a multiple of 8.36. That is the amount of Government grant going to Hackney compared with Wokingham. That is not because we are saying that they are the same, but because the Government freely acknowledge their differences and the need to respond differently and appropriately.

The hon. Lady suggested that there was some kind of conspiracy, perhaps at the expense of her party. The formula grant reduction for Conservative single-tier authorities is 11.9%. For Labour authorities, it is 10.9%. For Liberal Democrats, as she might think is appropriate, it is an 11.3% reduction. Therefore, there is no political conspiracy. Labour authorities have on average £1,092 spending power per head; Conservative ones £862; Liberal Democrat ones £929. Those figures come from the House of Commons Library.

Diplomacy (Internet)

4.30 pm

Joseph Johnson (Orpington) (Con): I am grateful for the chance to hold this debate, which will be the last in Westminster Hall this year. I am indebted to the right hon. Member for Rotherham (Mr MacShane) for sparing time in the pre-Christmas rush to be here, as well as to the Minister for indulging my interest in the subject in a conversation in the Tea Room a fortnight ago, during which he suggested that I apply for this debate. I hope he is not now regretting that I was successful in the ballot.

The subject is undeniably topical. Anybody doubting the transformational impact of the internet on diplomacy need look only at how the dissemination of hundreds of thousands of sensitive US diplomatic cables through the WikiLeaks website is rocking Governments throughout the world. That was why I entered the ballot, because I wanted to see whether I could draw some preliminary lessons from the WikiLeaks affair. Before I turn to WikiLeaks directly, however, I want to point out that the internet presents opportunities for, as well as threats to, our diplomats. New internet tools have extended the reach of our ideas by circumventing politically motivated censorship and enabling citizens living in oppressive regimes to exercise their rights of free expression, if unfortunately only on a stop-go basis.

The Foreign and Commonwealth Office, like many other diplomatic services, has developed a substantial "digital diplomacy" initiative in recent years. A more web-savvy FCO has our diplomats blogging and tweeting away as they make Britain's case in an informal way with audiences around the world. The FCO is also experimenting with intensive online campaigns, notably its Nuclear 2010 campaign in support of UK objectives for the review of the non-proliferation treaty, the campaign to secure the release of Aung San Suu Kyi, and the campaign to shape global opinion during the London G20 summit. However, there is no easy-to-download app for every diplomatic challenge the UK faces. Adapting to new technologies is never easy for big organisations.

Recent events have shown how easily the same internet technologies can usher in as many diplomatic disasters as breakthroughs. The fateful decision in June 2010 of a former US army intelligence analyst, Bradley Manning, to give some 260,000 US diplomatic cables to WikiLeaks, the website dedicated to publishing confidential material, has been a wake-up call to foreign services around the world. I would like to reflect on some of the lessons that we might learn from the recent experience, which I believe marks a watershed in the relationship between diplomacy and the internet.

It is three weeks since *The Guardian*, along with four other news organisations—*The New York Times*, *El Pais*, *Le Monde* and *Der Spiegel*—began publishing extracts from the cables that Julian Assange had directly or indirectly made available in the first instance just to them. As yet, they have neither dumped the entire dataset into the public domain, nor published names that would endanger innocent individuals. I believe they have so far acted in a responsible manner. I have spoken to other newspaper editors who said they would have behaved in exactly the same way. I fundamentally disagree with Senator Joseph Lieberman, who accused *The New York Times* of

"at the very least an act of bad citizenship".

Mr Denis MacShane (Rotherham) (Lab): I completely agree with the hon. Gentleman about the language of both Senator Lieberman and my friend Vice-President Joe Biden, who described Assange as a terrorist. None the less, the names were given of three senior Thai officials animadverting on the sexual and other behaviours of the Crown Prince. If a courtier in Buckingham Palace did that, presumably not an awful lot would happen to him, but I am not so sure about Thailand, so I do not think the hon. Gentleman is right to say that all the revelations are harmless. In the Kremlin, Putin's people have said that they now know the names of some of these people and they will be taking action. I would be quaking in my boots thanks to *The Guardian* and Assange because of some of the names put on the web.

Joseph Johnson: It is regrettable if people have been put in a position that makes them vulnerable to reprisals. I was not aware of the instance to which the right hon. Gentleman refers or of the fact that Putin had said that he was in a position to take action. I suspect that part of that may be bluff. Perhaps he wishes that he knew who was responsible.

Foreign policy in this country and in many democracies that are otherwise healthy is fundamentally and woefully underscrutinised. In Britain, for example, a Prime Minister can sign international treaties and take a country to war without a vote in Parliament. Foreign Office questions in Parliament come round only once every five sitting weeks. The culture of bipartisanship and the parochial nature of domestic politics stifle scrutiny of foreign policy making, but WikiLeaks is starting to change some of that. We can see that millions of people around the world, many of them in countries that have been denied a free media, have glimpsed truths about their rulers and Governments that had previously been hidden from them or that they had merely suspected. *The Guardian* is right to claim that the cables have revealed

"wrongdoing, war crimes, corruption, hypocrisy, greed, espionage, double-dealing and the cynical exercise of power on a wondrous scale."

The fact that there has been public interest in an airing of these documents—or a large majority of them—is beyond question. We have learned from the revelations, among thousands of other things, that Saudi Arabia and other Arab Governments sided with Israel in urging the US to stop Iran developing a nuclear bomb; that US officials have been instructed to spy on the UN leadership, demanding e-mail addresses, phone, fax and pager numbers, credit card details and frequent flyer numbers; that there could be a shift in relations between China and North Korea, with suggestions that Beijing might not intervene if the reclusive regime in Pyongyang collapsed; that there are concerns over Pakistan's growing instability, the security of its nuclear weapons and suspicions that the Inter-Services Intelligence is backing the Taliban in the war in Afghanistan; that there are suspicions of corruption in the Afghan Government, with one cable alleging that Vice-President Zia Massoud was carrying $52 million in cash when he was stopped during a visit to the UAE; that Russia and its intelligence agencies are using mafia bosses to carry out criminal operations, with one cable describing the country as a "virtual mafia state"; that there is a close relationship between Vladimir Putin, the Russian Prime Minister, and Silvio Berlusconi, the Italian Prime Minister, which is causing intense US suspicion; and that US commanders, the

[Joseph Johnson]

Afghan President and local officials in Helmand have privately been critical of the UK's military operations in Afghanistan.

Those are just a few of the highlights that have been picked up and re-published by thousands of newspapers and all other forms of media organisations all over the world. There will be more to come, but what is clear is that there is massive global interest in this extraordinary deluge of information. That is not because Assange and the "information-must-be-free" brigade at WikiLeaks have given these documents a global circulation, but because thousands of editors at hundreds of media organisations in dozens of countries throughout the world have all judged that there is a compelling public interest justifying publication.

It is possible to start drawing some lessons from the WikiLeaks saga. Just as the Supreme Court ruled in the Pentagon papers case more than three decades ago, it is, first and foremost, for Governments to protect their own secrets. It is not the job of the media to do so, unless there is a compelling national security reason to hold back from publication. The WikiLeaks affair has reignited the debate about where the line should be drawn between the right to a free press and freedom of speech, and the interests of national security. It has intensified what is an eternal and essentially unresolvable conflict. On the one hand, we defend and demand freedom of expression and the ideal of a free press but, on the other hand, we accept the limits to those freedoms in the interests of national security.

Those at the freedom-of-expression end of the debate have hailed Assange as a hero for revealing double-dealing and hypocrisy around the world. He is called the new Jason Bourne by Jemima Khan, the Ned Kelly of the cyber age by members of the press in Australia, and a libertine 007 by those who note his fondness for martinis. They point out that people living in countries with repressive Governments who lack a free media have a great hunger to read what their rulers have been saying and that we deny them that right at our peril.

To such people, it must appear hypocritical for the US to argue that the internet can be a force for transparent and democratic Government, and for accountability and democracy around the world, and then to condemn as "nihilists" those who use internet technology to allow greater scrutiny of US foreign policy making. I have considerable sympathy for that line of argument – what is sauce for the goose is sauce for the gander.

I have not been persuaded by those on the national security side of the argument who have accused the WikiLeaks founder of being an information or info-tech "terrorist", to use the word cited by Vice-President Biden, which was mentioned earlier by the right hon. Member for Rotherham, and of putting the lives of civilians and troops in danger. Thus far, as I said earlier, I think that the redaction of names and other sensitive information by *The Guardian* and the four other media organisations entrusted with the cables has been extremely diligent and painstaking. Of course, any broader distribution of the cables beyond this core group of responsible media organisations might considerably increase the risks to individuals named, especially if standards of care drop. For the moment, however, I am yet to be convinced that the release of the cables will increase the vulnerability of the US to attack, as has been rather melodramatically suggested.

I also take with a pinch of salt the way in which US diplomats have been touring TV studios invoking the sanctity of diplomatic communications, as per the Vienna convention on consular relations. That international treaty was signed in 1963 by 172 countries. Among other things, it guarantees the inviolability of the diplomatic bag and other communications from embassies back to their home countries. I am sceptical, first, because it is states that are signatories to that convention, rather than media organisations, and, secondly, because of the revelation in the leaked cables that the US seems to use staff in some of its embassies as part of a global espionage network tasked with obtaining not only information from the people whom those staff meet, but a wealth of personal details, including even DNA material.

A second lesson is that it would be dismaying if there were now to be an attempt in the US to prosecute Julian Assange for his role in publishing the documents. I say that because I think that such an attempt would conflate the role of the media with that of espionage, which in turn would have a chilling effect on investigative journalism, the purpose of which is to unearth "what they don't want you to know". It would be one thing if Julian Assange had encouraged, helped or conspired with Bradley Manning to leak the material, but Assange claims – and there is no reason at this point to disbelieve him – never to have even heard the informant's name until he read it in an article in *Wired* magazine that mentioned Manning's arrest. I am no lawyer, but unless it can be established that there is a bona fide ground for Assange to be charged under the US Espionage Act, he surely deserves to be regarded as a publisher and a journalist, which in a US court of law would entitle him to protection under the first amendment to the US constitution. From the limited information that is publicly available, I see little substantive difference between Assange's role and that of *The Guardian*, *The New York Times* and others in running the story contained in the cables that he passed on to them. Neither he nor they were the original leakers.

Thirdly, the WikiLeaks affair shows us that technology is making it much more difficult to keep information confidential. It has exposed the extent to which internet technology makes possible security breaches on a scale that was unimaginable in an era of paper-based communication. As Sir Christopher Meyer, the British ambassador to the US in the Blair years, has pointed out, paper would have been impossible to steal in such quantities. The cables themselves came from a huge secret internet protocol router network – a database that was kept separate from the ordinary civilian internet and run by the Department of Defence in Washington. Since the attacks of September 2001, there has been a move in the US to link up archives of Government information in the hope that key intelligence no longer gets trapped in information silos or "stovepipes". This database can be accessed not only by anyone in the State Department, but by anyone in the US military who has security clearance up to the secret level, a password and a computer connected to the database, which astonishingly covers more than 3 million people, including Private Bradley Manning.

The US Government have now announced a thorough review of the principles on which they share the information that they collect—I am sure that the Saudi King, for example, will be relieved to hear that. Safeguarding sources is critical to any information-gathering exercise and after such a breach, rebuilding the trust of many thousands of sources will be a painstaking exercise. The US's experience is therefore a salutary lesson for all other diplomatic services around the world. I will be interested to know whether the Foreign Office proposes a similar review.

We are at a watershed in relations between the Government and the new internet media. The UK Government have a clear choice as to whether to promote a transparency agenda or to seek the false comfort of the old culture of secrecy and repression. I would prefer Britain to choose, to become a more open and less secretive society, rather than to leave it to the likes of Julian Assange to force openness upon us. Rather than tightening further our draconian Official Secrets Act and threatening to prosecute journalists and whistleblowers, Governments should focus on making more information available and protecting only that which can cause substantive harm.

It is worth noting that none of the released documents was classified as top secret and much of the information in the 6% of documents classified as secret was already publicly known. Furthermore, these documents were likely to be released anyway in the course of freedom of information requests.

Of course, media organisations must exercise caution when revealing possibly sensitive information that could endanger lives, and this country should respect defence advisory notices when they are reasonably issued. However, new technologies have the potential to transform diplomacy and foreign policy making for the better in the long run. Studies of the effects of right-to-information legislation in numerous countries have found that there has been little impact on the amount of information recorded and that opinions have not been blunted following an increase in transparency. There is no chilling effect. In fact, according to Article 19, an independent human rights organisation that works globally to protect and promote the right to freedom of expression, the quality of some documents has improved, because the people writing them know that they will become public one day. They therefore focus on the provision of real political analysis rather than tittle-tattle and colour.

Officials have a duty to pass on important information, and that is not lifted because of fears that it one day may become public. By forcing greater transparency in foreign policy making, I believe that WikiLeaks will ultimately have a beneficial effect on the conduct of diplomacy. Let us continue to embrace the new technologies, not smother them at birth.

4.47 pm

Mr Denis MacShane (Rotherham) (Lab): I have consulted the hon. Member for Orpington (Joseph Johnson) on this debate, both in the House and by e-mail. I congratulate the hon. Gentleman, a distinguished former correspondent of the *Financial Times*, on raising this issue. One of the most thoughtful Foreign Office Ministers is here with us. His colleague, the Minister of State, Foreign and Commonwealth Office, the hon. Member for Taunton Deane (Mr Browne), mentioned in the main Chamber the concept of a private realm of information, which was new "dip speak" to me. I do not know whether the Minister will expand a bit on that.

I agree in part with the argument made by the hon. Member for Orpington: the victimisation and the turning of Mr Assange into some kind of hero are wrong. He is quite a squalid customer who is lapping up all the publicity that he is getting at the moment. The quicker we can forget about him, the better.

I do not agree that private communications should be made readily available, for the simple reason that the British diplomatic service is understaffed and one of the smallest, although of the highest quality, in the world. It works on complete frankness in paper communication. If that becomes impossible because people think that their real-time thoughts—which may be relevant on the day but perhaps not so accurate with the hindsight of longer reflection—cannot be transmitted because they can end up on the front page of a paper, the decision-making process here in our nation's capital will suffer.

Most of the material that I saw as a Minister could have been put straight on to the web. In that sense, I agree with the hon. Gentleman, but equally, he comes from a paper that takes foreign affairs seriously. It is extraordinary that we now learn that the International Committee of the Red Cross provided concrete evidence

Miss Anne McIntosh (in the Chair): Order. May I invite the Minister to make the winding-up speech?

4.49 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): Miss McIntosh, it is a pleasure to serve under your chairmanship *[Interruption.]*

Miss Anne McIntosh (in the Chair): Order. I remind the right hon. Member for Rotherham (Mr MacShane), who speaks from a sedentary position, that he did not request permission to speak from the hon. Gentleman who introduced the debate, the Minister or the Chair.

Alistair Burt: I thank my hon. Friend the Member for Orpington (Joseph Johnson) for his considered words on this issue, for raising topical and challenging questions, and for his immense courtesy in letting me have sight of his remarks before the debate so that I did not have to take them unwittingly from his computer.

There is no doubt that our information world has changed. The internet can be accessed from most homes in the UK and can be used as a force for mass communication and mobilisation. Much more information is published by the media, and government is more transparent than it has ever been. The internet has changed how we all communicate, the audiences that we can reach and the manner in which we speak to them. All that has happened at the same time as, although it is unconnected with, a loss of trust in those in authority and those who govern, and a deepening scepticism about what is kept private or secret by Governments, or indeed anyone.

I do not intend to comment on specific information released into the public realm in recent weeks, or on any legal issues affecting Julian Assange. What I want to

[Alistair Burt]

discuss, and what I believe is essentially at issue in this debate, is the question of how much privacy there should be in the public realm—if I may gently correct the right hon. Member for Rotherham (Mr MacShane), for whose presence at such an important debate I am grateful.

I think that my hon. Friend and I agree that there is a need and a place for some privacy in the public realm and other areas of life. Otherwise, it would be impossible for lawyers, doctors, journalists, scientists and other professionals to keep confidentiality in their work and before they reach conclusions that are ready to be made public. Premature exposure could threaten the integrity of such conclusions or prevent them from being reached at all. "Work in progress" is not a term to discard lightly.

An important distinction must be drawn between journalism and history. It is essential for information to be published and made accessible in due course to complete the historical record, uphold accountability and contribute to our understanding of the past. The Foreign and Commonwealth Office considers many documents ready for release after 30 years of storage, and most are, but journalism is not yet history, although perhaps it is history in progress. Live journalism shapes and influences events as they develop. When journalism breaches the confidentiality of diplomacy, it can threaten the ends that that diplomacy seeks to achieve. In diplomacy, the ability to negotiate in private confers freedom to broker agreement, and it is essential that that space remain. The basis of effective diplomacy continues to be trust between individuals and between states. There is thus space and reason for privacy.

The importance of free, frank and strictly confidential communication between Governments, and between Ministers and their diplomats, has been proved many times in history, from the formation of NATO to the western response to the Soviet Union, recent events such as climate change, peace and security debates at the UN, and the future of NATO. Diplomatic confidentiality has been severely strained by the release of sensitive diplomatic cables through WikiLeaks. The Government unequivocally condemn the unauthorised release of classified information. The leaks and their publication are damaging to national security in the United States, Britain and elsewhere. They are reckless, because they compromise the vital ability of Governments and diplomats to operate on the basis of confidentiality of information.

WikiLeaks confuses transparency and accountability with irresponsible attempts to undermine Government. The leaks undermine the trust and relationships that allow us to gather sensitive information as we pursue objectives in the UK's national interest on such issues as one might expect—Iran, the middle east peace process, counter-terrorism and nuclear non-proliferation—and as individuals put their jobs, livelihoods and lives at stake to give us honest accounts of what is happening on human rights, politics and governance. Simply removing names from documents does not put that right. Sometimes, in a context unknown to an unsighted editor, the source of a comment is instantly recognisable, even with no name, to the parties involved. Security is thus unwittingly but recklessly compromised.

As my hon. Friend said at the beginning of his speech, it is those who bravely and candidly tell us what is happening under repressive regimes—those who offer insights that enrich our understanding and improve our policy, and without which we would be poorer—who are betrayed by WikiLeaks. I do not think that he is arguing with me about the need to keep some things private; the issue is what is kept private. To respond to his question, we are alert to the threat of unauthorised access, and we are doing all we can.

When WikiLeaks gives newspaper editors the power to choose which cables to release, what stories to write and how to spin them, it transfers a crucial power away from a democratically elected Government into the hands of an opaque elite. Governments are elected with a mandate to keep everyone's interests at heart; editors are employed with a mandate to sell news. The internet may be democratic at the point of download, but it does not have to be democratic at the point of upload.

We must also consider the unintended consequences for the conduct of diplomacy of the leaking of sensitive and secret diplomatic cables. The inability to hold conversations in private, in the confidence that they will remain private, will mean diplomats are more guarded about what they say to each other. That point has been made. They will inevitably commit fewer of these exchanges to paper, and our historical record will be severely damaged as a result. Transparency is therefore not well served.

It is also important to emphasise that WikiLeaks must be judged quite separately from the internet. My hon. Friend is right: the internet has in many ways empowered the individual and provided otherwise impossible insights into closed societies. There is no doubt that in many ways diplomacy has benefited from the internet age. Our ambassadors tweet, our Ministers blog and our main web pages are viewed, on average, more than 4.2 million times a month. Thousands of British citizens rely on our website for up-to-the-minute travel advice and foreign policy news. During the ash crisis in April this year, the FCO's social media profiles on Facebook and Twitter enabled us to listen to stories as they developed and to dismiss inaccuracies. Digital tools offer us the means to take diplomacy further into the public arena and reach audiences—in the blogosphere, in social media—with whom we could otherwise make no connection.

The job of diplomacy is to influence, explain and facilitate the delivery of our foreign policy goals. Increasingly that is not done state to state. Multiple global organisations that are not part of a Government impact constantly on our lives, whether they are multinational corporations or terrorist groups. Such digital conversations—often taking place in the local languages, from Vietnamese to Tagalog—open up new opportunities for diplomacy and enable us to talk about our work in new ways and in new places. Look, for example, at the Foreign Office blogs on human rights day, when members of staff around the world described their human rights work. Look, too, at the work of Ambassador John Duncan in bringing the mysterious world of the negotiations on the non-proliferation of nuclear arms into the light. That digital commentary explained, enlightened and ultimately strengthened wider support for our position in the negotiations.

The best of the web is where one engages and listens, not just where one broadcasts. Through blogging and social media, we can listen to how people view our work and monitor how the world views us, giving us the ability to adjust our behaviour accordingly. The internet age will continue to open up new possibilities and we will change the way we work as the world changes around us.

Our Government are open. We are committed to the principle and practice of freedom of information, and we handle the release of information routinely. In contrast to leaked documents, those releases are governed by a transparent system—a system of balanced judgment and careful consideration, which takes into account the interests of all, by the elected and not by the self-chosen. The positive and negative consequences of releasing information into the public realm are weighed against each other, and if it is in the public interest to release information, that information is released. If we as politicians and civil servants are accountable for those judgments about the public interest and the release of information, that helps to ensure that, for the public, the system is open, fair and democratic.

It has become fashionable but lazy to assume that anything done behind the curtain of democratic government is done against, not for, the common interest, and that there is only self-interest, not public interest. The work of thousands of people on behalf of this country demonstrates that that is simply not true, and it is time for elected Members and democratic Governments to say so.

Miss Anne McIntosh (in the Chair): I thank all those who have been involved in the proceedings in Westminster Hall throughout the year and wish you all a happy Christmas.

Question put and agreed to.

4.59 pm

Sitting adjourned.